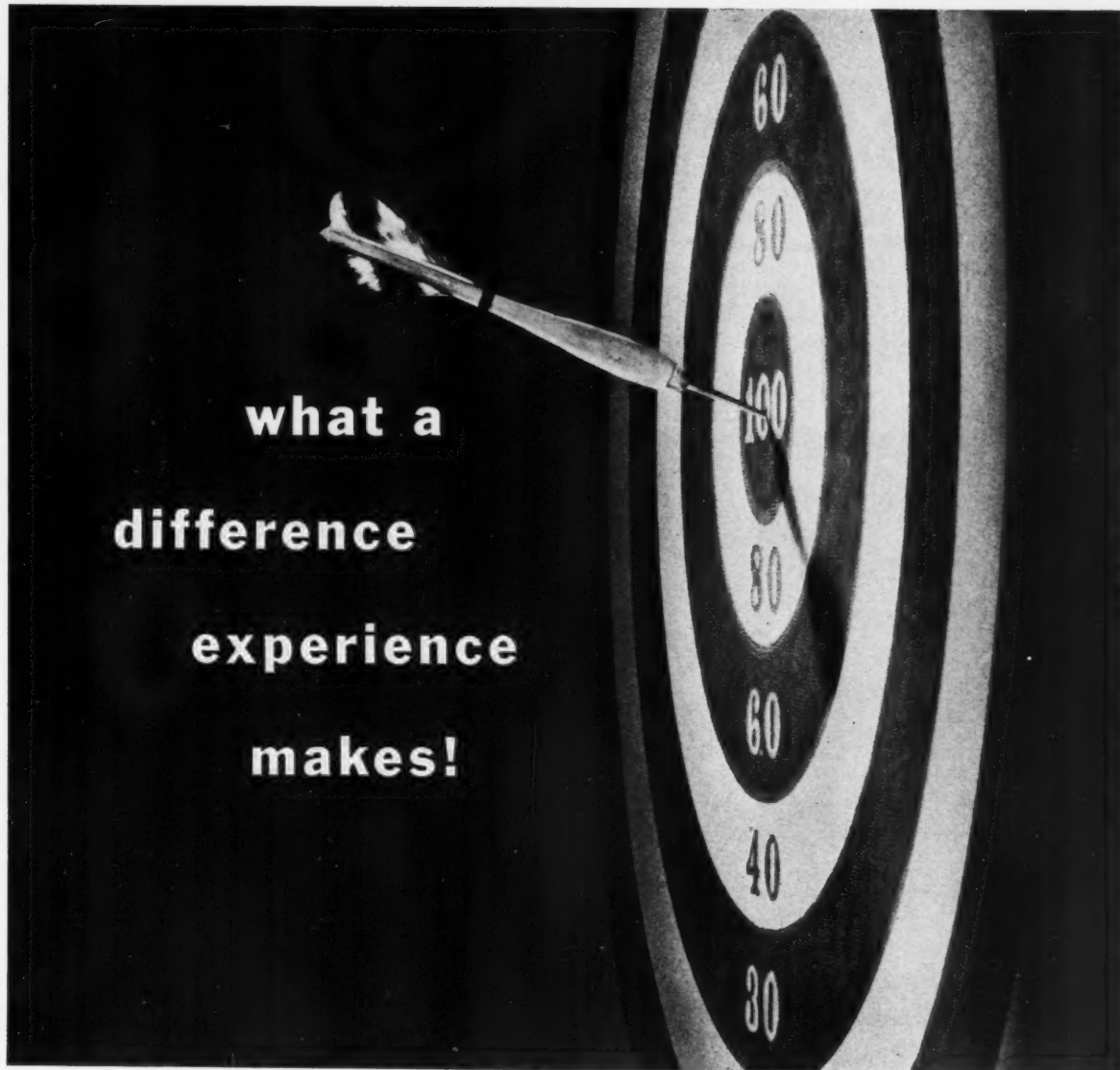


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For Brokers • Agents • Companies

THURSDAY, MAY 3, 1956

The Aetna Fieldman Is a Good Man to Know

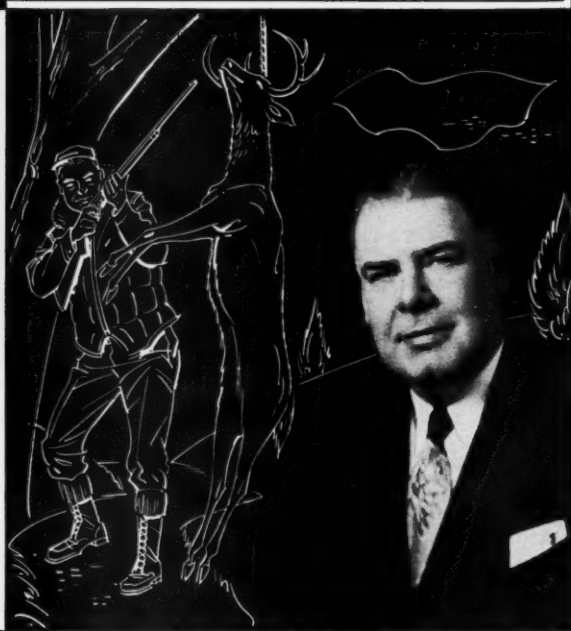
The Aetna was one of the first insurance companies to appoint agents outside its home state, and Aetna fieldmen long have worked in close cooperation with agents and brokers.

Today, a high proportion of Aetna fieldmen are graduates of the Multiple Line Training School for Fieldmen—which covers all phases of property and casualty insurance, with special emphasis on the problems and viewpoint of the agent.

The Aetna fieldman is especially qualified to help you with unusual problems—to give you practical suggestions on building a more profitable business. He is a good man to know.



Meet W. H. Crandall—St. Louis Manager. In college days at Illinois College, Bill was an accomplished trombonist and also interested in track, wrestling and gymnastics. Today, he is active in sponsoring athletic endeavors for youngsters in his home town, and in encouraging young men to enter the insurance business. He is one of the founders of the Insurance Short Course at the University of Missouri and devotes considerable time and effort to insurance educational activities at all levels. Bill is Past President of the St. Louis Fieldman's Association and the Insurance Council of St. Louis.



Meet Warren W. Foster—State Agent, Minneapolis, Minn. Warren has three main interests in life—hunting, fishing and helping Aetna agents produce business. In all three pursuits he has an uncanny faculty for getting results. With the Aetna for 31 years and a graduate of the Insurance Institute of America, Warren has long been active in insurance association activities. He is Past President of the Minnesota Fire Prevention Association, Past Most Loyal Gander of the Minnesota Pond of the Blue Goose, and currently is Sergeant at Arms in the Insurance Club of Minneapolis.



AETNA INSURANCE GROUP

AETNA INSURANCE COMPANY • THE WORLD FIRE AND MARINE INSURANCE CO.
THE CENTURY INDEMNITY COMPANY • STANDARD INSURANCE CO. OF N. Y.
HARTFORD, CONNECTICUT

Clinton L. Allen, President

UJF in N.J. Gets Only 2,155 Claims in its First Year

**Good Work by Insurer Claim
Men Facilitates Successful
Administration of Act**

By KENNETH O. FORCE

TRENTON—The automobile unsatisfied claim and judgment fund of New Jersey has been in effect a full year, and the statistics show that the number of claims is running less than the lowest estimate predicted for the fund prior to its inception. Those predictions were from 4,000 to 14,000 claims a year. The fund has received 3,742 notices of intention to make claims, of which 1,587 were ineligible. On the net figure of 2,155 bodily injury and property damage liability claims, incurred losses total \$2,174,060.



Charles R. Howell

The New Jersey Unsatisfied Claim & Judgment Board, of which W. Lewis Bambrick is manager, has settled 17 claims (arising out of 13 accidents) for a total of \$7,936. Ten claims (arising out of 10 accidents) have been closed out by judgment for \$8,189. The total 27 claims, arising out of 23 accidents, were settled for \$16,126. The board administers the fund and is composed of Francis Van Orman, vice-president and general counsel of American group, chairman; C. Harold Whittum of Liberty Mutual, Philadelphia; George C. Kline of Allstate, and R. G. Chilcott of Nationwide Mutual representing insurance, and Commissioner Charles R. Howell and Frederick Gassert Jr., director of motor vehicles, representing New Jersey.

In the first year 1,215 claims made against the fund were ineligible on their face. These consisted of claims involving those insured under workmen's compensation, 25; spouse, parent or child of uninsured, 25; guest occupant of uninsured, 61; person not qualified to claim such as non-resident or person without a motor vehicle registered in New Jersey, 122; uninsured claimant, 82; late notice, 273; insured, 456; property damage liability claim of less than \$200, which is the fund's deductible, 119, and others, 52.

A total of 270 claims were closed without payment from the fund; 129 were settled directly between the parties and did not involve fund payment, 39 had security deposits adequate to cover the claims, and 102 were settled because all vehicles were found to be insured, etc.

Claims assigned to insurers for investigation totaled 1,377 in the first year; and 300 accidents were not as-

(CONTINUED ON PAGE 23)

Insurers Mostly Acquiescent to Proposed FTC Rules at Washington Meeting

By HENRY HALLAM

WASHINGTON—The hearing on the A&S advertising rules of federal trade commission here, was concluded in less than three hours with Commissioner Mason presiding. Several insurance representatives objected to certain provisions of the advertising code proposed by FTC, but in general the business was acquiescent.

Mr. Mason said that the FTC jurisdiction "is different from that of state commissioners. Our rules have to be drawn on the basis of what we can enforce. False and misleading advertising is an unfair trade practice in commerce. Our jurisdiction is limited to the FTC act." He indicated the recent FTC decision on jurisdiction was restricted to that angle. At adjournment he said the material presented at the conference will be considered by FTC.

Meanwhile, the commission released an 88-page decision and order by Examiner Laughlin which denied the application of Indiana to intervene in the Inter-Ocean case. This release, coupled with the FTC decision assuming jurisdiction over A&S advertising in connection with the American Hospital & Life case, has led insurance representatives to conclude that the commission is committed to go the limit in asserting its jurisdiction.

Mr. Mason stated the purpose of the conference was to get suggestions on the proposed rules. He ruled out any questions on jurisdiction along with legal matters not germane to the rules.

John P. Hanna, general counsel of Health Insurance Assn. of America, stated that though he could not bind member companies in their courses of action, HIAA believes members will individually cooperate with the spirit of the proposed rules. He said he was aware of the question of FTC's jurisdiction. However, he recognized that this question now is in litigation, and this hearing was not the proper forum for further discussion of that point. It

is, of course, understood that HIAA's appearance will not be construed as having any effect on that issue, he said.

The National Assn. of Insurance Commissioners advertising rules, and the proposed rules are strict, he said. The A&S business as a whole has concurred in strict rules because it wants its advertising to be above reproach. In the prospective administration and interpretation of the advertising rules, however, it is obvious that public welfare will not be served, nor the beneficial purpose of sound advertising enhanced, if the lines of administration and interpretation are drawn too fine. Several of the states, in adopting the NAIC rules, have added to the preamble a philosophy of sensible, flexible administration and interpretation.

He therefore urged that FTC consider the interpretations by states as these are evolved in the future and that in promulgating the rules it indicate its intention to do so. It is self-evident that legislation or regulation, where uniform, reduces time and expense which in turn benefits the public.

With present adoption of the NAIC rules by many states, plus prospective nationwide adoption, it is apparent that any marked variation by the proposed FTC rules from NAIC rules confronts the industry with a serious problem of compliance and prospective interpretation, he added. For that reason, in order that the two sets of rules may be subject to the same interpretation, he suggested that FTC rule 12 be amended by deleting the words: "ordinarily associated with group insurance as recognized in the industry." This rule seems to be closely related to NAIC section 13, which permits advertising of franchise insurance whereas there is some question whether such insurance could be advertised under FTC proposed rule 12 because members of franchise groups do not have exactly the same special rates

(CONTINUED ON PAGE 35)

Agents Ask UM Endorsement for Nationwide Use

**State Directors of NAIA also
Alter Plan of Midyear
Session, Oppose Free Cover**

HARTFORD—A determined effort will be made by agents to combat the spread of compulsory automobile insurance, it was indicated by action taken here by National Board of State Directors of Insurance Agents. In a resolution, the board called on the insurers to provide the uninsured motorist endorsement coverage on a national scale.



Kenneth Ross

At the same time NAIA will make available to state associations documentation of the Massachusetts and New York compulsory laws, of the compulsory indemnification plan of Superintendent Holz, which lost in New York; the unsatisfied claim and judgment fund of New Jersey with modifications that have been suggested in other states; a copy of the UM endorsement itself; and documentation of the compulsory motor vehicle inspection law passed by the last New York legislature.

Joseph A. Neumann of Jamaica, N.Y., past president of NAIA and chairman of NAIA's special automobile committee, reiterated his criticism of the companies for vacillation in meeting the problem of compulsory in New York. The resolution calling for the companies to make available at the earliest possible moment the UM endorsement stated that it was clearly demonstrated by adoption of compulsory in New York that compulsory can be avoided only by a positive alternative program that is in the public interest. Mr. Neumann drafted the resolution and it was presented by Louie E. Woodbury of Wilmington, N.C.

One problem of successfully opposing compulsory is that agents do not have enough influence in legislatures, Harold A. Boling of Lake Charles, La. pointed out. Consequently, he and other directors urged agents to take a more active part in legislative activities and more agents should run for the legislature.

Under the vigorous and expert guidance of President Kenneth Ross, the directors covered a lot of ground with dispatch. Even so, the number of important items on the agenda was so large that the sessions ran over into a third day. One difficulty, directors pointed out, is that meeting with a regional conference at this midyear session of the directors means that much of the time of directors is spent

(CONTINUED ON PAGE 34)

Late News Bulletins . . .

Name N. Y. Compulsory Auto Committee

The committee named by National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau to work with the insurance department and the motor vehicle bureau on regulations, forms and rules for compulsory automobile insurance in New York consists of: Maryland Casualty, Royal-Liverpool and Travelers for National Bureau, and Liberty Mutual, Lumbermens Mutual Casualty and Utica Mutual for Mutual Bureau.

\$500,000 Worth of Drugs Taken at Squibb

The theft of \$500,000 worth of drugs the past five years from E. R. Squibb & Sons Brooklyn plant has resulted in the arrest of three employees and six others. The Squibb company stated that it was insured against theft but would not indicate whether it had fidelity coverage.

Shortages in the drugs were noted and six months ago 20 plainclothes men were assigned to keep the plant under surveillance. The thefts apparently took place as drugs, moving from raw products room into the inventory room, turned a corner on the assembly line near a window which overlooked the

(CONTINUED ON PAGE 36)

Fire Premiums Up 10% in 1955, Pass \$4 Billion Mark

New Argus Fire Chart Gives Aggregates for More Than 800 Insurers

Total net premiums written in 1955 by 808 companies reported upon in detail in the 1956 *Argus Fire Chart* reached an all-time high of \$4,336,812,389, an increase of 10.3% over the corresponding figure for 1954. This significant figure is taken from the *Argus Fire Chart's* annual tabulation of aggregates of companies writing fire business and is reproduced below. One year's figures for 75 predominantly casualty companies writing some fire lines are also shown in the 1955 *Argus Fire Chart* which is just off the National Underwriter Co. presses. This substantial premium increase of \$406,627,165 for the 808 companies reflects the effect of a growing national economy on the portion of the insurance industry devoted primarily to fire insurance and its allied classes of business.

Practically all of the many other items included in a comprehensive set of totals show gains. For the 808 companies, assets increased from \$10,164,581,118 at the end of 1954 to \$11,096,967,025 on Dec. 3, 1955. Surplus to policyholders increased some \$726 million to \$5,735,452,765. Premiums earned reached \$4,029,282,594 which, after a combined loss and expense ratio of 92.7%, produced a gain from underwriting of \$177,995,235.

The aggregates for 439 stock companies follow the trend indicated in the over-all totals, with stock companies having net premiums written of \$3,611,621,325 and premiums earned of \$3,432,391,544. Losses incurred including adjustment expenses are \$1,914,107,929 and underwriting expenses incurred are \$1,431,132,115, these two producing a combined loss and expense

(CONTINUED ON PAGE 29)

Ind. Department Wins First Round in Midwest Battle

INDIANAPOLIS—The Indiana department has won an important victory in its battle to control Midwest of Indianapolis. Circuit Judge Hadley of Hendricks county ruled against Midwest's suit seeking to enjoin the department and the state motor vehicle bureau from refusing to recognize its policies under the financial responsibility act. Samuel Kauffman, department administrative assistant, said, "Although Midwest is still legally in business, it is very doubtful that agents will write their policies knowing that they will not be accepted when it comes time to file SR forms."

Mr. Davey had ordered the motor vehicle bureau to refuse to accept Midwest policies under the safety responsibility law in January of this year. The bureau complied, and Midwest immediately countered with an injunction suit. Officials of the company had said the injunction suit would be a test of the department's right to control it. Midwest, which has been in a feud with the department for years, had claimed immunity from state control on the grounds that its 1832 charter pre-dated the insurance department. As yet, no appeal of Judge Hadley's ruling has been filed by Midwest attorneys.

At the time Commissioner Davey ordered the motor vehicle department to stop recognizing Midwest's policies, he also asked the attorney general's office to file suit for the appointment of a receiver for Midwest. This action is still pending in Vandenberg circuit court.

Insurance Facilities Corp. of Chicago has moved into larger quarters in the Board of Trade building. The agency had been at 309 West Jackson Boulevard. Insurance Facilities Corp. is owned by Oppenheimer Bros. of Kansas City, which has a similar operation in New York. Oppenheimer Bros. recently were appointed U. S. managers for Holland-America, which was licensed recently in Illinois.

National Women's Assn. to Meet at Chicago June 12-15

A record registration of about 1,000 is anticipated for the annual convention of National Assn. of Insurance Women, to be held June 12-15 at the Conrad Hilton hotel, Chicago.

Arrangements for the convention, the first to be held at Chicago, are being completed by Insurance Distaff Executives Assn. of Chicago. A two-year convention fund-building project of IDEA has been successful with the result that many outstanding features have been planned. General chairman for the convention of NAIW, which is

(CONTINUED ON PAGE 36)

Martin Warns A&S Code Doesn't Save State Authority

Ad Rules Admission of State Failure in That Area, He Tells NAI

Hard hitting blows for the cause of state insurance supervision were struck by Wade O. Martin Jr., secretary of state and insurance commissioner of Louisiana, in addressing a luncheon meeting during the New Orleans regional meeting of National Assn. of Independent Insurers.

He voiced the belief that the adoption of the A&S advertising code has little if any significance in the ultimate preservation to the states of the right to regulate and tax the insurance business exclusively. He challenged the view that "after the adoption of the code one can relax because state regulation . . . has been preserved . . ."

The necessity for adoption of the code arose, he said, because certain states failed to assume the responsibilities imposed upon them by Public Law 15 "after 12 years of grace." Had adequate laws been enacted in every state federal trade commission would have had no occasion to step in.

Adoption of the code, as excellent an instrument as Mr. Martin said he concedes it to be, is simply an admission that PL 15 is not being complied with in at least one phase of the industry. The lesson to be learned is to apprehend other inadequacies in law or administration and provide remedies before the problem is dramatically precipitated as it was when FTC started citing insurers.

Mr. Martin emphasized that the alternative is not state or federal supervision but rather exclusively state supervision on the one hand or dual regulation on the other. He warned that those who assert a preference for federal regulation when they become unhappy with some aspect of state super-

(CONTINUED ON PAGE 33)

Highlights of the Week's News

1956 edition of Agents & Buyers Guide off the press	Page 6
Inquiry reveals widespread appointing of employees by agency insurers	Page 11
Eastern Agents' Conference closes with panel on coverage problems	Page 7
Announcement of new face for standard fire policy made at WUA Chicago meeting	Page 15
Fix rate of exchange for Fireman's Fund, Founders' Stock	Page 10
More risks, credit, less reporting for reporting covers	Page 10
Mutual Alliance presents views on model WC bill	Page 27
Richland, Wash., wins U. S. Chamber's top fire award	Page 27
Louisiana agents' annual underway in Miss.	Page 21
Need for higher rates on young drivers stressed at NAIW meeting	Page 5
Business promises full cooperation at N. Y. compulsory hearing	Page 8
Travelers to write participating WC in California	Page 8
Industry challenges FTC concurrent jurisdiction claim	Page 13
Ohio bureau files across board block, CDP, homeowners	Page 12
March traffic deaths at record level	Page 25
Allstate fire filing approved in Wash.	Page 4
Vacation rain policy introduced by Fireman's Fund	Page 4
Nationwide agents seek independent agent's status	Page 4

TOTALS

Including ALL COMPANIES whose figures are shown in the Argus Fire Chart, EXCEPT those companies for which reference is made to the Argus Casualty Chart. REINSURANCE companies include only the stock companies doing an exclusively reinsurance business. ACCESSORY LINE TOTALS include fire business of all stock companies in table on pages 132-143.*

FINANCIAL REPORT					OPERATING REPORT					NET RESULTS			
	Number of Co's.	Year	Assets	Liabilities	Surplus to Policyholders	Net Premiums Written	Premiums Earned	Losses & Loss Exp. Incurred	Underwriting Exp. Incurred	Ratio to Premiums Earned	Ratio to Losses & Loss Exp. Incurred	Net Gain from Underwriting	Increase in Surplus
All Companies	808	1955	11,096,967,025	5,361,514,260	5,735,452,765	4,336,812,389	4,029,282,594	2,204,094,525	1,647,192,834	54.7	38.0	177,995,235	726,618,739
(Excluding Factory Mutuals)	797	1954	10,164,581,118	5,145,870,408	5,018,710,710	3,590,185,224	3,894,585,853	2,163,671,562	1,480,984,927	55.7	37.7	239,929,364	1,067,017,713
Stock Companies	439	1955	9,799,370,135	4,677,148,334	5,122,221,801	3,611,621,325	3,432,391,544	1,914,107,929	1,431,132,115	53.0	39.6	87,151,500	671,771,188
	433	1954	8,957,123,499	4,493,416,341	4,463,707,158	3,345,050,562	3,316,167,119	1,865,454,932	1,285,780,662	56.3	38.4	164,921,525	1,015,783,226
Foreign Companies—U. S. Branches (Included in Stock Companies)	59	1955	704,638,469	394,248,576	310,389,893	276,478,193	272,916,108	133,921,941	118,492,662	56.4	42.9	501,505	28,464,285
	60	1954	687,438,531	400,245,767	287,192,764	265,497,472	271,572,273	133,767,961	112,367,806	56.6	42.3	5,416,486	42,636,113
Reinsurance Companies (Included in Stock Companies)	34	1955	347,721,378	195,846,139	151,875,239	132,063,367	128,270,280	64,969,207	56,651,691	52.7	42.9	1,639,382	20,027,903
	34	1954	339,888,926	203,297,119	136,601,807	125,219,520	130,527,949	75,004,187	54,056,228	57.6	43.2	1,177,534	27,899,179
Mutual Fire Companies (Excluding Factory Mutuals)	327	1955	1,182,715,507	621,716,689	560,998,818	568,359,110	542,017,542	265,493,913	194,145,849	49.0	34.2	82,377,760	53,077,070
	325	1954	1,099,130,174	593,042,560	505,187,614	531,462,899	516,943,221	273,325,911	176,907,061	52.9	32.3	66,710,249	48,943,362
Reciprocal & Lloyd's (Fire & Allied Lines only)	42	1955	114,881,383	62,649,837	52,232,546	56,831,954	54,873,508	24,092,683	21,914,870	43.9	38.6	8,865,955	1,770,604
	39	1954	106,527,445	58,511,897	49,015,548	53,701,963	51,475,513	24,890,719	18,287,204	46.4	34.1	8,297,560	2,393,135

ACCESSORY LINES IN 1955*

Premiums and Losses of all Stock Companies writing Fire Lines (Figures in thousands—000 omitted)

514 Companies							
	Premiums Earned	Losses Incurred	%		Premiums Earned	Losses Incurred	%
Auto Phys. Damage	1,114,273	523,876	47.0	Other Allied Lines	19,943	5,347	26.8
Ocean Marine	154,146	83,307	54.1	Hail on Crops	48,628	29,086	59.8
Inland Marine	281,134	150,412	53.5	Aircraft Phys. Damage	11,356	5,942	52.3
Extended Coverage	412,946	234,888	56.9	Homeowners	2,802	1,255	44.8
Total Accessory Line	2,107,608	1,069,696	50.8	Miscellaneous	62,280	35,435	56.9
Fire	1,315,897	581,012	44.2				
GRAND TOTAL	3,423,505	1,650,710	48.2				

* These "Accessory Line" figures exclude all casualty business except as included in "Homeowners" and consequently differ from the Stock Company totals in the Operating Report above.

FACTORY MUTUAL FIRE COMPANIES

	1955	1954
Assets	302,663,165	299,021,428
Liabilities	152,935,249	149,292,333
Surplus to Policyholders	149,727,916	149,729,095
Premium Deposits in Force	258,391,237	250,580,263
Losses Incurred	30,628,801	22,603,811

New York Life *announces entry*
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9 NON-CANCELLABLE MONTHLY INCOME POLICIES

- 8 guaranteed renewable to age 65 and 1 (for women) to age 60.
- Accident Income Benefits payable for 2 years—or 5 years—or for life.
- Accidental Death and Dismemberment Benefits payable *in addition* to Monthly Income Benefits.
- Sickness Income Benefits payable for 1 year—or 2 years—or 5 years—or all the way to 65.
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**2 GUARANTEED RENEWABLE EXPENSE POLICIES
FOR FAMILIES AND SINGLE INDIVIDUALS**

- Guaranteed renewable to age 65 (Company can change applicable table of premium rates).
- \$25 Deductible Hospital and Surgical Expense Policy "Greater protection to help meet the big bills."
- Major Medical Expense policy for brokers placing life business with the Company—\$500 deductible—\$7500 Maximum Benefit—25% co-insurance.
- Participating.

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Modern policies for modern needs include Ordinary Life Insurance, Group Insurance, Accident and Sickness Insurance and Pension Trusts

Allstate Fire Filing Approved in Wash.

OLYMPIA—Allstate has finally won its battle to sell fire insurance in Washington at rates approximately 15% below bureau. Commissioner William A. Sullivan, who has opposed the filing since Aug. 15, 1954, signed an order approving the rates and revoking an earlier order which rejected them on the basis that they were predicated upon "conjecture and assumptions" rather than actual experience.

Mr. Sullivan explained his change in position was determined by two factors—that the company now has presented figures showing what its past experience has been, based on 1955 operations, and that department agents have checked the figures in Allstate's home office.

Allstate originally filed to sell dwelling fire insurance at 20% under manual in Washington. This was rejected by Mr. Sullivan, but subsequently he approved a general rate reduction of 20% for the bureau companies and Allstate came back with a filing 20% below the new rates. Later Allstate modified its proposal to a 15% deviation, but Mr. Sullivan again turned the filing down. He reaffirmed his position after a hearing last September, and Allstate took the matter to Thurston county superior court. Court action has been brought to an end with the approval of the filing.

Queens Agents Hear Mercantile Block Talk

Eugene A. Toale, manager in New York of Security-Connecticut group, spoke on the mercantile block policy,

now awaiting approval in New York, at the April meeting of Queens County (N.Y.) Assn. of Insurance Agents. William Blum of Queens officiated. Mr. Toale stressed that there was a tremendous number of commercial prospects for mercantile block coverage and pointed up the advantages offered by the all risk type policy which covers stock at location or in transit.

\$110,000 Loss in N. J. Factory Fire

Insured loss in a fire that completely destroyed Packing Engineering Corp. of Cranford, N.J., has been estimated at \$110,000. The firm made packing for pumps and heavy machinery.

Northern of New York covered the contents, valued at about \$60,000, while Milwaukee of Loyalty group and Automobile divided the \$50,000 building loss. Two years ago the firm cancelled a five-year \$50,000 U&O policy with New York Underwriters when the federal government revised the excess profits tax law.

N.E. 1752 Club to Hold Annual May 4

Oliver L. Colburn of New England Fire Insurance Rating Assn. will discuss the mercantile block policy at the annual meeting May 4 of New England 1752 Club at Framingham, Mass.

Officers will be elected at the morning session.

New Detroit Adjusting Firm

G-M Adjusting Co. has been organized in Detroit by Elmer A. Gadde and V. S. Matthews. The adjustment firm will handle fire, auto, casualty and allied lines in southeastern Michigan. The offices are at 17391 Wyoming.

Vacation Rain Policy Introduced by Fireman's Fund

Vacation rain insurance, long popular in Europe but unavailable in this country, has been introduced by Fireman's Fund group. The new coverage will be written to cover 100 resort areas.

The insurance will be in amounts of \$100, \$200 or \$300 per week for 14, 21, or 28 days. Premiums range from a minimum of \$10 for \$100 per week for two weeks, to a maximum of \$60 for \$300 per week for four weeks.

A person planning to spend \$200 for a 14-day vacation could buy rain insurance in the amount of \$200. The premium would be \$10. If during his vacation there is rainfall in excess of the minimum stipulated, for at least five days, the vacationist is paid 10%. Six days of above minimum rain would provide indemnity of 25%. Ten days of excessive precipitation would bring payment of the full amount.

Twenty-one-day policies begin payment after the seventh day and those written for 28 days give indemnity after the ninth day.

Administrative mechanics have been reduced to a minimum. Claim need not be made by the insured. The company checks rainfall measurements as recorded by the U.S. weather station nearest the vacation area. When excessive precipitation occurs, appropriate payment is automatically made in the name of the insured and sent to the producer writing the coverage.

The filing for vacation rain insurance has already been approved in New York and Connecticut. Filings have been made in other states.

Nationwide Agents Seek Independent Agent's Status

Agents of Nationwide Mutual will seek to gain the status of independent local agents. This was the theme of the organizational meeting of Nationwide Insurance Agents' Assn. held in New York City. The group elected Randy Christensen of Hartford president and Albert Boudreau, also of Hartford, secretary.

Eleven vice-presidents will be elected in 11 regions at local meetings within the next two weeks. The agents increased their dues from \$10 to \$50 so a full time manager could be employed. About 100 agents attended the meeting.

The group discussed the contribution they believe the association can make to the company. They also discussed the company's apparent reluctance to discuss its production and producer problems with the agents.

The agents will seek to be allowed to act as brokers for business on lines which the company does not write. They will list their grievances and advise other Nationwide agents and the company of them.

One major problem discussed was the cancellation of a policy by the company without prior notice to the agent. The group brought out that often an agent will work with a client 10 or 15 years and then the company will cancel the policy without explanation. The agents admitted that this kind of cancellation could be caused by error.

George J. Ritter, counsel of the association and corporation counsel of Hartford, pointed out the origins of the company and the desirable basis on which it was established. The agents' chief objective is to help the company attain its original goals, he said.

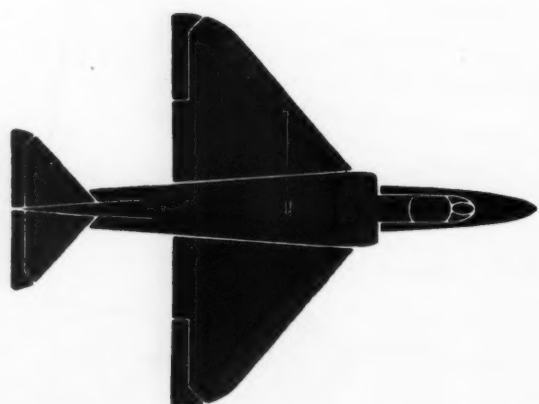
The association has demonstrated that it has acted in a commendable way, Mr. Ritter said. The men who have organized it are top agents of Nationwide and have the company's interests in mind, he said. But they fear that the company is getting far away from its original objectives and the people it meant to serve.

Mr. Ritter, in an interview after the meeting said, "It's a wonder the people in Columbus don't realize what the agents are trying to do." He said he believes the company will lose tremendous resources by its present course of action, yet has not chosen to cooperate with the association. The association is not trying to get the agents a larger share of the company, only better working relations with it, he declared.

Murray Lincoln, president of Nationwide, had accepted an invitation to attend the organizational meeting, but wrote that he was unable to do so. He stated in his letter that he believes he should speak to individual agents about their problems rather than address a group on the over-all situation. Three directors of the insurer, who previously had indicated they would attend the meeting, also sent regrets.

Withers Speaks at Los Angeles

Pacific CPCU chapter at the April meeting in Los Angeles heard Kenneth W. Withers, executive general adjuster of General Adjustment Bureau, San Francisco, discuss problems under the new all-risk coverages. He reviewed a number of the less obvious factors adjusters take into consideration in arriving at a final decision.



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EASTERN DEPARTMENT, Philadelphia • • • PACIFIC COAST DEPARTMENT, Los Angeles

Town Classifications, Assigned Risks Discussed

Need for Higher Rates on Young Drivers Stressed at NAI New Orleans Meeting

The need for rates up to three times the 1A now offered youthful drivers was agreed on by those attending the underwriting session of the National Assn. of Independent Insurers' workshop meeting at New Orleans last week.

There were 325 registered for the meeting, including 10 commissioners, the largest workshop convention NAI has conducted.

Some of those at the panel discussion, which was presided over by F. A. Holderman of Zurich, wondered whether the business has not come full cycle on refinement of classifications. There is danger that the most undesirable risks will become so isolated as to be unable to support themselves in the underwriting market place.

While admitting the need for increased rates on young drivers, those taking part conceded that to take a fair share of such risks at a losing rate is the price that has to be paid for engaging in the auto insurance business. Some of the companies attempt to limit young driver insured to a percentage of licensed young drivers by states.

Paul F. Gallmeier, Meridian Mutual, said the rate must be loaded as heavily as possible, even though it cannot be made self-supporting. Careful selection must be practiced, the percentage of young drivers accepted must be held down, safety education and driver training has to be promoted, and parents should be cautioned to restrain their children.

There is no good line of demarcation at age 25, the company men agreed. Ages 26-28 also are unprofitable. All-state used to think age 23 was the dividing line, A. F. Heine, assistant vice-president, said, but the company has learned by experience that this is not so.

Asked whether companies can afford to insure young male drivers, Mr. Holderman said the proposition is rather than insurers afford not take them. There has to be a reasonable market, he pointed out.

Mr. Heine said that young girls who own and operate their own cars are "grossly underrated." However, experience on family cars with young girl drivers is superior even to that of the 1A class. The answer probably is that parents are in the 40-50 age bracket, and that is considered the best.

During a discussion of driver training in schools, Mr. Heine said that previous statistics may have been misleading when they strongly indicated good records for those with training. Driver training courses have a preponderance of girls, and the difference may have been more a matter of sex than training. He said he is fearful that putting girls in the adult classification may hurt driver training programs because the incentive to accomplish a rate reduction is lacking. He said, however, he hopes these programs will continue to grow, suggesting the possibility of beginning classroom instruction at an earlier age so as to develop better attitudes.

Mr. Heine said the National Bureau and NAUA driver training credit is 10% for 30 hours of class room work and six hours behind the wheel. All-state has a graduated scale of discounts, giving 5% for 10 hours in the

class room and two hours behind the wheel, and 15% for 30 in class and six hours of driving. California law requires drivers training, he noted, and this causes a problem for school authorities, especially in giving six hours behind the wheel.

There is no indication that driver

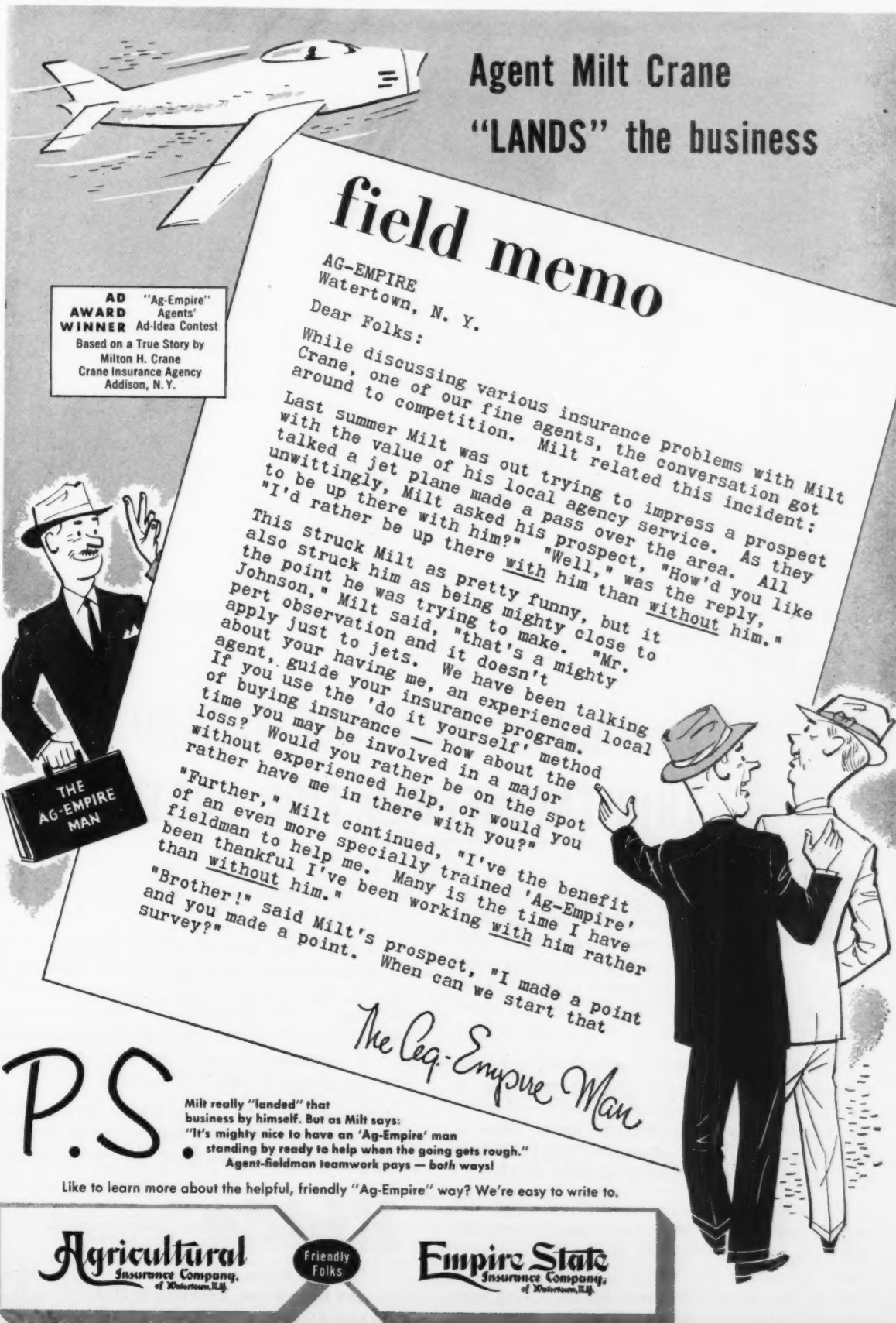
training has improved loss experience in the slightest, Clyde Cecil of Colorado Farm Mutual declared. He said the hope is that it will have a long range effect. Henry L. Moffett, Secured of Indianapolis, said 16 is the best age in the under 25 bracket, but that ages 17 and 18 move right into the 200 to 300% loss column.

In a discussion of seat belts, everyone had a good word to say at least for the favorable psychological effect this device offers. Commissioner Hunt of Oklahoma was asked about companies granting deviations for seat belts

in his state. Industrial gives 10% off, American Travelers 10% on medical but allows no recovery unless it can be proved the injured person was strapped in at the time of accident. Some of those attending said seat belts are good even though they are not used at all times, and Mr. Holderman observed they have proved comparatively more helpful when the impact is less than when it is severe. Hence they should be used in city driving where the exposure is greater.

Also taken up was recruiting and

(CONTINUED ON PAGE 36)



Agent Milt Crane
"LANDS" the business

field memo

AG-EMPIRE
Watertown, N. Y.

Dear Folks:

While discussing various insurance problems with Milt Crane, one of our fine agents, the conversation got around to competition. Milt related this incident:

Last summer Milt was out trying to impress a prospect with the value of his local agency service. As they talked a jet plane made a pass over the area. All unwittingly, Milt asked his prospect, "How'd you like to be up there with him?" "Well," was the reply, "I'd rather be up there with him than without him."

This struck Milt as pretty funny, but it also struck him as being mighty close to the point he was trying to make. "Mr. Johnson," Milt said, "that's a mighty pert observation and it doesn't apply just to jets. We have been talking about your having me, an experienced local agent, guide your insurance program. If you use the 'do it yourself' method of buying insurance — how about the time you may be involved in a major loss? Would you rather be on the spot without experienced help, or would you rather have me in there with you?"

"Further," Milt continued, "I've the benefit of an even more specially trained 'Ag-Empire' fieldman to help me. Many is the time I have been thankful I've been working with him rather than without him."

"Brother!" said Milt's prospect, "I made a point and you made a point. When can we start that survey?"

The Ag-Empire Man

P.S.

Milt really "landed" that business by himself. But as Milt says: "It's mighty nice to have an 'Ag-Empire' man standing by ready to help when the going gets rough." Agent-fieldman teamwork pays — both ways!

Like to learn more about the helpful, friendly "Ag-Empire" way? We're easy to write to.

Agricultural Insurance Company, of Watertown, N.Y.

Friendly Folks

Empire State Insurance Company, of Watertown, N.Y.

Lumbermens Mutual Casualty Reports Big Gains in 1955

Assets of Lumbermens Mutual Casualty passed \$200 million in 1955, an increase of approximately \$11,200,000 over the 1954 figure, and more than double the total of \$93,600,000 in 1948.

Underwriting and investment earnings for 1955 totaled \$18,588,000. After federal income taxes of \$2,030,000, dividends to policyholders amounted to

\$14,558,000, including \$400,000 added to the reserve for policyholder dividends.

Net surplus was increased \$2 million to a new high of \$32,000,000. Earned premiums totaled \$117,188,000.

Milwaukee Insurance Breakfast

Milwaukee Board of Underwriters held another in a series of breakfast insurance clinics April 17. The topic of the day was "Major Medical" with the presentation made and the discussion led by S. L. Horman, vice-president and agency manager of Time.

1956 Edition of Agents & Buyers Guide Off the Press

The insurance man who puts accounts on his books and keeps them there through the only really comprehensive method—the insurance survey—will be glad to see the 1956 edition of *Agent's & Buyer's Guide*, off the presses of the National Underwriter Company this week. The guide, year-book of the *Fire, Casualty & Surety*

Bulletins, is in its ninth edition and has long since established itself as the indispensable handbook of survey work. Copies, at \$5 each, may be obtained from the home office of the National Underwriter Company, 420 East Fourth street, Cincinnati 2, O., or from any of the company's field offices.

Ten of the book's eleven chapters are directly useful in survey work. Three chapters are devoted exclusively to that subject. Chapter II, entitled "The Insurance Survey," defines a survey, shows how to go about it, and indicates for the novice as well as the experienced insurance men the relation between the survey and economical account selling.

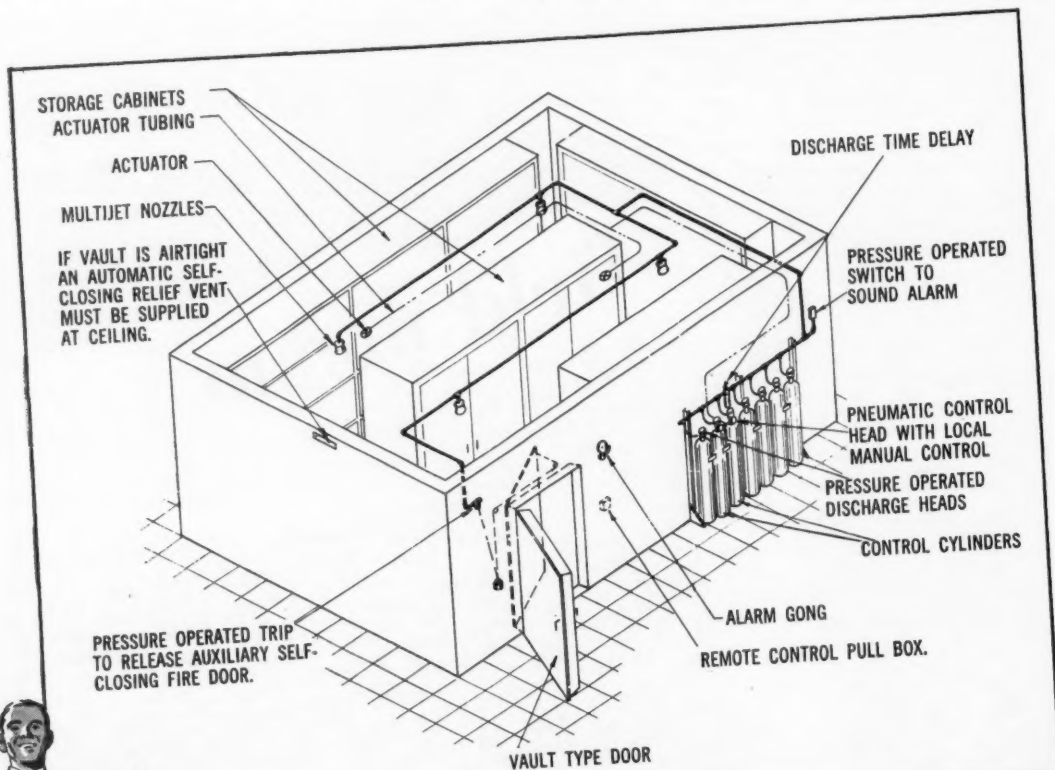
The third chapter—the second dealing specifically with survey—is entirely new in this edition and may well be the most valuable contribution of its kind in recent years. This section outlines for each of eight major classes of risks exposures to loss, basic insurance needs, coverages which are necessary if the applicable exposure exists, other forms according to exposure and need and appropriate combination and comprehensive policies.

Then, to integrate existing contracts into the recommended insurance program, the book contains a chapter called "Survey and Audit Notes." The notes are arranged according to type of insurance so that the insurance man can check off the policies he is examining and double-check his own recommendations.

The "Definitions of Coverages" section—a popular feature since the first edition—supplies brief, usually non-technical descriptions of virtually every known type of property and casualty coverage. These are valuable in the preparation of a survey, where there is the necessity of describing a coverage need in language the client will attach himself to. Additionally, numerous insurance men have found the definitions a most convenient "note book" for quick memory-jogging on coverages once well-known to them, but momentarily forgotten.

Another section of the 1956 *Agent's & Buyer's Guide* which is essential in survey work and valuable for other purposes is the "Markets for Unusual Coverages" chapter. This compilation appeared first in the 1951 edition of the book and has become the recognized central source of markets information. Allied with this chapter are a directory of insurance offices offering services on both unusual and difficult lines, a listing and description of the operations of underwriting groups—syndicates, pools, federations, agreements, underwriters, etc.—which provide service on various lines such as aircraft coverages, marine hull, superior risks, inland waterways marine, oil properties, railways, rain and others. There is a directory of companies, showing for well over 1,000 insurers, the states and provinces in which they are entered, lines written, membership in company organizations, rating bureau membership or subscription and membership or participation in pools or underwriting groups.

For the insurance man who has learned or will learn that mere mention of uninsured exposures is not always enough to convince the client, there is a chapter devoted to accounts of losses illustrating numerous coverages and for particular types of insured. These are culled from the experience of 1955 so as to be current as well as particular. The losses section has its own detailed index.



GUARD VALUABLE RECORDS WITH THIS ENGINEERED FIRE PROTECTION!

JUST let fire destroy one irreplaceable set of records—or original drawings—and your business stands a good chance of bankruptcy! And keep in mind that 44% of the firms whose doors are closed by fire never reopen for business again!

It's easy to see, therefore, why farsighted business executives insist on Kidde fire protection to safeguard their business records. Kidde systems—like the record vault installation shown above—are tailor-made to *fully* protect the many different kinds of hazards you'll find in industry today.

With a Kidde system on the job, fire is out almost as soon as it starts. Kidde rate-of-temperature-rise detectors trigger the system at the first sign of a blaze, guarantee you round-the-clock protection even in case of outside power failure. Using safe, efficient carbon dioxide gas, Kidde systems snuff

fire without a mess, will *not* damage records, papers or drawings!

Kidde systems have no falling weights, use no clumsy mechanical triggering methods. Pneumatic Control Heads insure instant and complete CO₂ discharge. All moving parts of a Kidde system are self-enclosed for safety, need no replacement after a fire, have easy-to-read indicators which show whether system is "set" or "released."

It's easy to get the best in fire protection—and it can mean the difference between profit and loss for you. For more information, write Kidde today.

Kidde

The words 'Kidde', 'Lux', 'Lux-O-Matic', 'Fyre-Freez' and the Kidde seal are trademarks of Walter Kidde & Company, Inc.

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Panel on Coverage Problems Features Close of Eastern Agents' Conference

HARTFORD—A panel discussion of current problems in the business wound up the business portion of the program of Eastern Agents' Conference, held here in connection with the midyear meeting of National Board of State Directors. In the morning Eastern Underwriters Assn. was host to state association board officers at breakfast. In the evening Warren Bodwell of Manchester, N.H., EAC retiring chairman, presided, and President Kenneth Ross of NAIA installed the new EAC officers, who were named in last week's issue.

Attendance finally went over the 800 mark, and at this point the registration desk, presided over by Miss Mary M. Battista, secretary to W. Harry Wiley, executive secretary of the Connecticut association, went out of the registering business. At this rate, NAIA is going to have as much difficulty finding hotel accommodations for the midyear meeting as it presently does to house the annual session.

The panel was composed of agents—Roy MacBean of Cranford, N.J., on casualty insurance; John J. Maguire of Philadelphia on homeowners, and Richard C. Hubbard of Middlebury, Vt., fire and allied. William N. Woodland, editor of *The Standard*, was the moderator and, as usual, kept the pattern crisp and informative. Kenneth Cormack of Providence, chairman of NAIA's fidelity and surety committee, was unwell and could not take his place on the panel. Arthur B. Fair of Natick, Mass., presided at this session.

Mr. Hubbard suggested that companies and agents should get together and produce a contract that is not outmoded a month later by another form. He suggested that the business think about checking with loss adjusters before bringing out forms and said this would avoid confusion, and it would be well not to bring out forms too rapidly just to meet competition.

Mr. MacBean said that casualty business has grown on competition and will continue to do so. National Bureau of Casualty Underwriters improved the policy a year ago but further improvements are needed. Among the needs are coverage on an occurrence rather than an accident basis, drive other car coverages for all members of the family and a DOC that includes medical payments, the elimination of the contractual exclusion because of the widespread practice today of hiring cars when on trips, and on all physical loss DOC. Further, he believes that the casualty business needs a baby 3-D, and he thinks it is about time that National Bureau put in all liability policies \$250 of medical payments coverage, as it presently does in the storekeeper's liability policy.

In automobile physical damage he would like to see actual cash value for fleets instead of stated amounts, and the writing of fleet business on a gross receipts basis. He also urged that the business put in all state manuals the experience and schedule rating plans so that agents can have it for quick use in meeting competition. He said he believes that agents are mature enough today and have lost enough business to direct writers that they can be trusted with this information.

He said he was also anxious to see the elimination of two or more auto-

mobile rate filings each year, one by the bureau and one by National Automobile Underwriters Assn. at another time. The agent has to go over all of his business a second time.

In homeowners everything is confusion spelled backwards, Mr. Maguire said. There is no clarity. The companies don't know when losses are covered. With the revision in homeowners,

the contract now has 15 endorsements; and there are 30 endorsements on the comprehensive dwelling policy of Interbureau Insurance Advisory Group. That makes 45 all together. Things are so confusing, he said, that Interbureau and Multiple Peril Insurance Rating Organization have formed a third organization to handle details.

In answer to a question, Mr. MacBean said he does not favor assigned risks for auto PHD. Mr. Hubbard commented that some auto finance insurers are turning PHD back into the open market, which he regards as un-

fair. If there were an assigned risk plan for this type of business, such insurers would at least have to take their share of such business.

Where the homeowners is written with a pickup of other coverage, which coverage adjusts the loss? Mr. Maguire said that if the coverage were conventional, the adjustment is proportionate, but if the pickup is of a personal property floater, that is excess and has to be handled differently.

Mr. MacBean said he favored a merger of NAUA and National Bureau, but

(CONTINUED ON PAGE 26)

"Unforeseen events... need not change and shape the course of man's affairs"



Blind date

Today? Tomorrow? Who knows when you may have a date... with trouble.

A disabling accident... a fire... a damage suit... a dishonest employee... an auto crash.

Takes only one to cause a crippling loss. Unless you have adequate insurance to protect your home, business, and possessions thoroughly. And thoroughness is the job of your Maryland agent or broker. He gives his personal attention to planning the right kinds and the right amounts of protection at the right time—

before you meet the unexpected. Make a date with him today.

Because he knows his business, it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

There are many forms of Maryland protection for business, industry, and the home. Casualty Insurance, Fidelity and Surety Bonds, and Fire and Marine Insurance are available through 10,000 agents and brokers.

Another striking advertisement to help build more business for the local agent or broker by dramatizing the importance of his knowledge and judgment.

Program Set for Managing General Agents Convention

DALLAS—Four company presidents are among the eight speakers scheduled for the annual convention of American Assn. of Managing General Agents at the Shamrock-Hilton hotel here, May 20-23.

They are: E. A. G. Manton of American International Underwriters, who will speak on "What Foreign Risks

Mean to the American Agency System"; Owen E. Barker of Appleton & Cox, who will discuss "Marine Insurance and the Managing General Agent"; T. R. Mansfield of Gulf of Dallas, whose topic is "Texas Insurance Companies," and Don McVay of Ohio Farmers, whose topic has not been announced.

Also on the program are: Commissioner Saunders of Texas on "Today's Insurance Problems"; Kenneth Ross, president of the National Assn. of Insurance Agents; Philip M. Winchester, general manager of General Adjust-

ment Bureau, on "The Adjuster as a Producer," and Herbert R. Fullerton of the Blaine, Fullerton & Wright general agency of Vancouver, B.C.

A clinic on "Automation in Managing General Agencies," will be conducted by three staff members of IBM Corp.

Crider Named in Kansas Field

James L. Crider, former special agent for Loyalty group, has been appointed Kansas field representative for headquarters at the Topeka home office.

Business Promises Full Cooperation at Compulsory Hearing

NEW YORK—Full cooperation in administering the new compulsory automobile insurance law was promised Superintendent Holz by representatives of the business at a hearing conducted here by the insurance department.

William Leslie, general manager of National Bureau of Casualty Underwriters, said Mutual Insurance Rating Bureau and National Bureau, have authorized a joint subcommittee to work with the insurance department on compulsory. This will be composed of three from each bureau, and will work on the forms and rules that come within the insurance department's jurisdiction and those that are supervised by the motor vehicle bureau.

He said he thought the fifth revision of the standard provision auto liability policy, now in use, would constitute satisfactory proof of coverage under compulsory. Members and subscribers of the two bureaus, he said, write about 90% of the auto liability business in New York.

Charles H. Robuck Jr., assistant counsel of National Assn. of Independent Insurers, promised the cooperation of that group with the department and with the Mutual-National Bureau committee, John C. Weghorn, New York City agent, representing several agent and broker organizations, promised cooperation, and Arthur L. Schwab of Staten Island, president, said New York State Assn. of Insurance Agents, would be glad to name a member to the National Bureau-Mutual committee.

Mr. Holz said the law calls for consultation with insurers, but he was glad to have the views of producers.

"There are 47 states watching us," he added, "and if we come out with a workable plan, we can be a model for them."

Arthur Lamanda, deputy superintendent, who has direct supervision of compulsory for the department, said the department will work out the details of administration with committees authorized to act for the business. Everything must be ready to operate Oct. 1.

Travelers to Write Par WC in Cal.

A participating program applicable to California workmen's compensation and employers liability policies will be started May 1 by Travelers.

The program is to apply generally to risks having California workmen's compensation premiums of \$250 or more.

Cal. Managing GAs Elect Bunting President

California Assn. of Managing General Agents at its annual meeting in San Francisco elected John Bunting of Rathbone, King & Seeley president to succeed Philip D. Richards.

F. J. Pelletier was named vice-president and Ronald W. Richards was re-elected secretary-treasurer.

Philip D. Richards was elected a delegate to the convention of American Assn. of Managing General Agents, which will be held May 21-23 at Houston, Tex.

How American-Associated Engineers saved a manufacturer \$1,500 per year

...and helped an Agent gain an important new customer



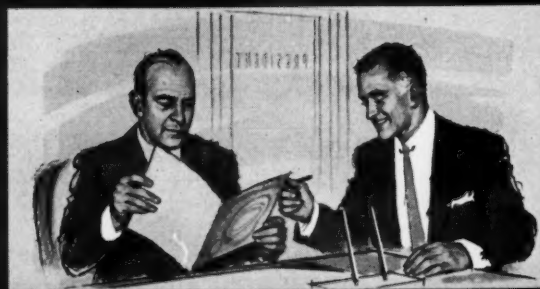
1 An Agent in southern New England was having no luck at all with a large manufacturer. Repeated calls on the prospect failed to produce any results.



2 Then, one day the manufacturer agreed to a survey of in-plant occupational hazards. The Agent called in an American-Associated Engineering Supervisor.



3 A careful survey uncovered a Workmen's Compensation misclassification. An appeal to the Rating Bureau resulted in a change in classification to one more closely descriptive of the prospect's actual manufacturing operations.



4 This reduced the manufacturer's rate from \$1.33 to 66¢. His refund on overpaid premiums for the previous year alone amounted to \$1,500. The Agent got the manufacturer's Workmen's Compensation business, and all his other lines as well!

This is just one of many cases in which American-Associated's superior countrywide service facilities...and eagerness to serve...have paid off for Producers. Find out in how many ways we can help you. Contact your nearest American-Associated Branch Office.



AMERICAN-ASSOCIATED INSURANCE COMPANIES
AMERICAN AUTOMOBILE INSURANCE COMPANY
ASSOCIATED INDEMNITY CORPORATION

HEAD OFFICE: PIERCE BUILDING • SAINT LOUIS 2, MISSOURI

Guarantee to Merit Rate Cars in Cal.

Guarantee of Los Angeles, a member of the London group, on May 1 began writing private passenger automobile business in California on a merit rating basis. The other members of the group, London and Manhattan F&M., will continue to write under National Bureau rules and rates.

Guarantee is giving individual private passenger auto owners credits of up to 15% on BI, PDL and medical, and 10% on fire, theft and comprehensive or collision. Drivers with one or more accidents or violations will be charged at manual rates or will take debits up to 50% for BI, PDL, medical, and 25% for the physical damage. The program applies to both new and renewal of private passenger business.

The rating classification on new business will be determined by means of a statement signed by insured or the producer. Guarantee will determine the classification of renewals. The experience period used to determine the classification is 10 months ending 30 days prior to inception for new business and ending 60 days prior to renewals.

U.S. Chamber Publishes Medical Expense Booklet

A 33-page booklet, "Major Medical Expense Insurance," has been published by the U.S. Chamber of Commerce.

The booklet consists of four articles—"Origin and Development," by A. M. Wilson of Liberty Mutual; "A Dynamic Group Coverage," by E. B. Whittaker of Prudential; "Today's Individual and Family Policies," by J. F. Follmann Jr. of Health Insurance Assn.; and "Outlook and Social Significance," by Henry S. Beers of Aetna Life.

The booklet supplements a 185-page book, "A Look at Modern Health Insurance," published by the chamber in 1954. It shows the broadening and extension of coverage in the major medical field in the seven years since major medical was developed.

Medical Payments Stay in Force While Car Is Out of Service

The medical payments endorsement which automatically includes extended medical payments now remains in force even though the automobile liability policy to which it is attached is suspended while a car is out of service. The liberalization was recently adopted by National Bureau.

2,000 Donate to N. Y. Insurance Blood Drive

Nearly 2,000 downtown insurance workers, representing more than 100 fire, marine and casualty companies, participated in the annual New York insurance week blood donor drive.

This year's drive brought to 20,000 pints the total blood donations by insurance workers over the past seven years, according to Cameron Toole of Travelers, chairman.

Third Party Liability Bill Vetoed in N. Y.

Gov. Harriman of New York has vetoed a bill which would have eliminated any liability by an employer to a third party based upon a claim for in-

juries brought against the third party by an employee covered by workmen's compensation for such injuries. The bill was supported by Self Insurers Assn. of New York and several industry associations.

Ill. Adopts Block

Illinois had adopted the mercantile block policy filing of Inland Marine Insurance Bureau, effective May 7. If a company is not a member of the bureaus that have submitted the filing, it must file separately with the Illinois insurance department by adopting by reference the plan of IMIB.

U.S.F.&G. Affiliate Names Five Officers

Fidelity & Guaranty Insurance Underwriters, a subsidiary of U.S.F.&G., has elected George E. V. Dietrich, Harry B. Hupp, Lewis E. McBride and Louis D. Paine secretaries. They are managers at branch offices in Cleveland, Cincinnati, Columbus, O., and Toledo, respectively.

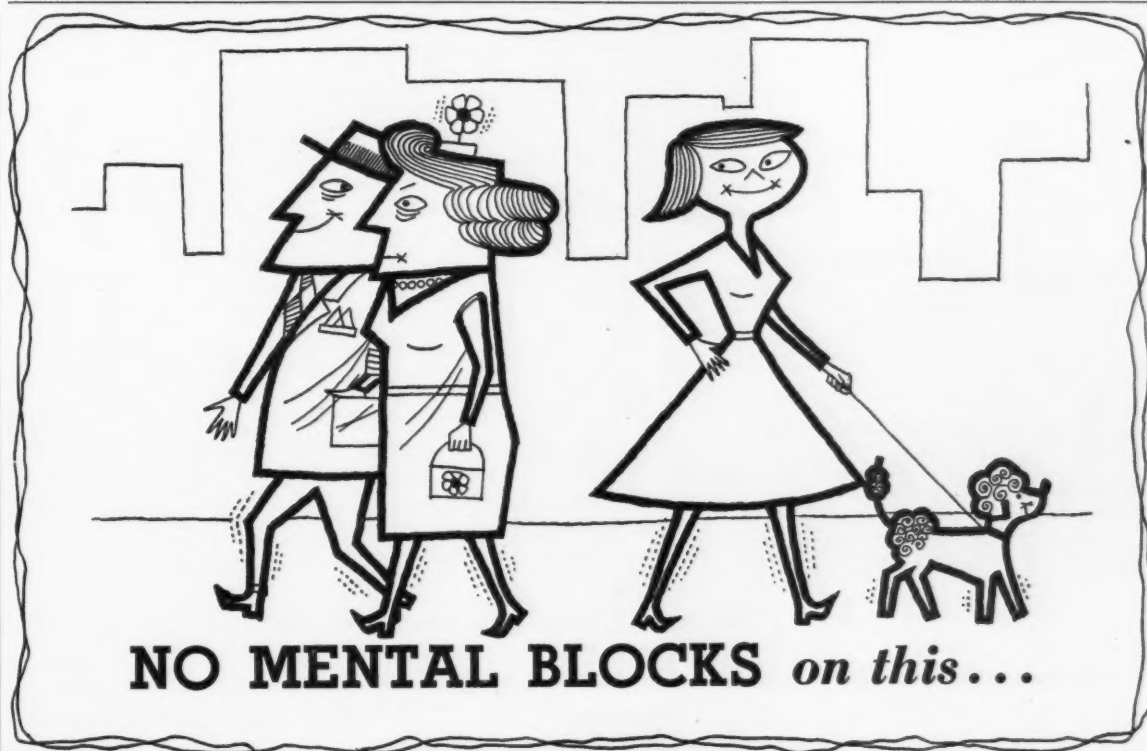
Auto Rate Panel at S.F.

Society of Insurance Brokers of San Francisco at the May 8 meeting will

hear discussion of automobile rates. Panelists will be M. W. Nicoson, California Compensation & Fire; R. L. Clunkett, Rathbone, King & Seeley, and John J. Savage, National Bureau. Each will present his organization's method of automobile rating.

Northern Honors 50-Year Lawrence, Kansas Agency

Northern of London honored the Manley agency, Lawrence, Kan., on the occasion of its representing Northern for 50 years. C. E. Bleckley, state agent, presented a 50-year certificate to Merl McKinny, agency manager.



NEW MERCANTILE BLOCK POLICY!

Every merchant who is, or should be, on your account-list will welcome this new insurance package.

In a single contract, Mercantile Block Insurance embraces all qualified mercantile property and circumstances, on store premises, in storage or in transit.*

"Mercantile Block — New Packaged Protection for your Commercial Accounts" is the title of a 6-page bulletin we've just published, to detail this unique coverage, show its many selling points, and suggest something of its potential market . . . For example, today in the U.S. there

are over 2 million wholesale and retail establishments in the food, drugs, lumber and building materials, and apparel fields alone — most of them live prospects for the wide-awake agent who can offer them the first and the best in this new field of protection.

This helpful bulletin is available without charge to interested agents. It includes state-by-state figures in sample markets, and also reproduces the cover of a brief sales folder which has been readied for distribution by agents . . . To get in on the ground floor of this promising new field of coverage, why not use the handy coupon below to request your copy of the bulletin?



Emblem of Security

THE SECURITY-CONNECTICUT INSURANCE COMPANIES
FIRE • MARINE • CASUALTY • BONDS • LIFE
*SECURITY-CONNECTICUT LIFE INSURANCE COMPANY, Incorporated 1955
HOME OFFICES: New Haven, Conn. PACIFIC DEPTS: 240 Battery St., San Francisco, Calif

SECURITY-CONNECTICUT INSURANCE COMPANIES
Dept. 25-D, New Haven 5, Connecticut

Please send me, without cost or obligation, your new Agency Sales Bulletin Mercantile Block — New Packaged Protection . . .

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Fix Rate of Exchange for Fireman's Fund, Founders' Stock

Fireman's Fund has made application with the California department for a permit to issue new shares of its common stock and exchange them for the outstanding shares of Founders of Los Angeles. When 80% of Founders' stockholders accept the exchange,

Founders will become the newest member of the Fireman's Fund group.

The application asks that Fireman's Fund be allowed to issue not more than 61,800 shares of its \$2.50 par value common stock and to exchange them for 103,000 outstanding shares of Founders, which has a par of \$10. The exchange is to be made on a ratio of three-fifths of a share of Fireman's Fund for one share of Founders, with the ratio based on the book value of the two companies' stocks as shown in their annual reports.

Farmers & Merchants National Bank

of Los Angeles is designated in the application as the depository for the stock while the exchange is in progress.

Sponsor Agency Course at Flint

A 12-week course for Flint (Mich.) agents and their office personnel is being held at Flint Community college.

The course is sponsored by the Mott foundation, created by Charles S. Mott, largest stockholder of General Motors.

Insurance Women of San Antonio saw a film on the value of good telephone habits at the April meeting. The film was presented by Southwestern Bell Telephone Co.

More Risks, Credit, Less Reporting for Reporting Covers

Reporting Form Service Office has recommended to the rating bureaus several important changes in reporting forms Nos. 1, 2 and 5, and the filing has been approved in several states.

For the first time property such as furniture and fixtures may be written where there is no stock, as in banks.

The following classes of risks previously ineligible have been added to the eligibility list: Banks, barber shops, beauty shops and beauty parlors, hotels, service reporting concerns, and theatres, meaning theatre, furniture and fixtures, and improvements.

At the same time credits have been substantially increased. Section B of rule 13 is changed to provide for size of premium credits ranging up to 15%, beginning at \$1,001 to \$5,001 and more. This credit previously was granted up to 15% but for premiums of \$1,001 to \$7,501 and more.

Section C in the same rule is modified to provide graded credits up to 28% as determined from new tables A and B. The new tables start at five locations and run to 36 locations and more. The factor determining the use of table B is amended to run from .05 to .08. The present rule provides for credits up to 20% beginning with five locations and running to 51 locations and more.

Another important change is that from monthly to quarterly reports of value on risks with 10 or more locations. This provision is contained in a new rule, 40 A.

Form 1 and 2 policies may, under the changes, be written for a minimum term of three years at term multiple of 2.5, compared with the previous multiple of 2.7. Forms 4 and 5 policies cannot be issued for a term longer than one year. These changes are contained in rule 50 A.

The changes provide for coverage of grain in certain classes of risks heretofore ineligible.

New Cal. Reciprocal to Insure Hot Rod Drivers

The California department has approved the name "Rodders Auto Insurance Exchange," for a new reciprocal to be organized at Los Angeles. If the company becomes licensed, it will specialize in hot rod drivers.

Robards, Bradford Join Dupuy

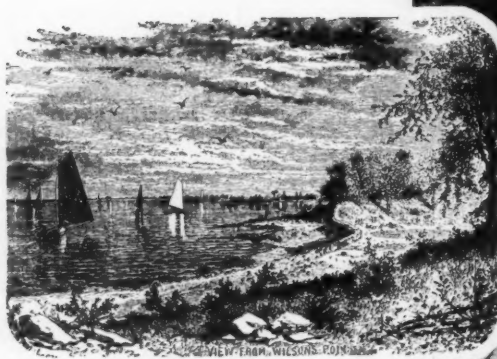
Charles Robards and Raymond Bradford have joined the Dupuy general agency at New Orleans. Mr. Robards has been with another agency there for several years.

Mr. Bradford has been with the Louisiana Rating & Fire Prevention Bureau and later with America Fore before joining Dupuy as special agent for Louisiana and Mississippi.

Guarantee Mutual Names Johnson

Guarantee Mutual of Ohio has appointed J. M. Johnson special agent for Alabama, with headquarters at Birmingham. His territory will eventually include Georgia and Florida.

Public National of Miami, which has entered the cargo field, has been licensed in Wisconsin. The company is now licensed in 48 states, District of Columbia, Alaska and Hawaii. Kurt Hitke & Co., Inc., are general agents.



PORTRAIT OF PROGRESS



YACHTING IS THE LEADING SPORT

Last year more than 25 million people actively participated in this sport and spent over a billion dollars in insurable yacht values. The new dollar high not only exceeds that of any other sport but more than doubles the amount spent on boating as recently as five years ago.

Keeping pace with this spectacular growth we have adjusted rates and forms to meet current requirements. This together with our consistent advertising to Yachtsmen for many years permits you to offer a Chubb policy today, as in 1882, with complete confidence, and assurance of ready acceptance.

If you are interested in one of the many services we offer Yachtsmen we invite you to write today for a copy of our "ABC" of Yacht Insurance.



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Inquiry Reveals Widespread Appointing of Employees by Agency Insurers

Archie M. Slawsby of Nashua, N.H., member of the executive committee, reported to National Board of State Directors at Hartford on the appointment of company employees as agents. He said his inquiry into the subject had revealed that the practice is prevalent country over and reiterated the position of NAIA that (1) the selling of insurance for their own account by salaried employees of agency companies deprives the customer of the very thing he thinks he is buying—the services of an independent insurance adviser; (2) that the company-employer suffers also because he receives less than he is paying for in salaries and (3) the practice itself constitutes unfair competition with local agents.

Directors commended Mr. Slawsby for his efforts in the matter and directed him to write insurers asking that they discontinue the practice.

When he first discussed the subject last fall, Mr. Slawsby said, the talk was not universally well received even by producers. He said he was accused of exaggeration, of tilting at windmills, and even of creating an issue. Some persons said he was talking through his hat, that no such problem existed. Even if it did exist, he was told, it was none of the agents' business anyway.

On the other hand, there has been a great deal of favorable interest, and NAIA officers directed him to continue his investigation and report.

He wrote to the chief executives of almost 80 groups and independent companies who operate nationwide, and he has received acknowledgement from all but three. Not all answered his questions.

The replies from company executives indicated clearly that the practice is considerable and widespread. One president said: "We recognize the difficulty of stamping out the practice, for in many areas it is widespread in the industry." Another stated: "Here is what goes on in the business. One of our employees can get a license for almost any company in the city of Chicago and place whatever business he writes on a part time basis with those companies. Of course, it is business which rightfully belongs to us—but our competitors get it."

Another stated: "Certain arrangements which originated many years ago in perhaps harmless fashion have grown." From New York City: "In the general metropolitan area which includes New Jersey, we have a number of employees holding brokers' licenses. This is a common practice with all companies which dates back many years."

A company official in Pennsylvania wrote that "in our home office city we do permit our employees to insure their own property and property of near relatives in our company, and we find that it seems to be a general practice among agency companies in town." From Massachusetts: "The blank group is in complete agreement with your objectives and I find that, with one exception, we are practicing your belief. That exception is our western department in Chicago." Admitted hot spots are Boston, Hartford, New York,

Newark, Philadelphia, Baltimore, Pittsburgh, Chicago and Des Moines.

A New Jersey agent wrote: "I have been told many times by employees of the Blankety group that the pay scale made it necessary for practically every employee with a family to sell insurance on the side. We came across the problem when we tried to get in touch with the insurance man of per-

sons with whom our insured have been in automobile accidents, for example. After making several fruitless telephone calls to the address shown on the face of the policy, we have wound up in the office of an insurance company and have been told that the 'agent' is not allowed to conduct his personal insurance business during business hours." A Massachusetts agent wrote: "I think I may find myself in competition with the full time employees of a local company." A Pennsylvania agent: "I can almost write a

book on my experiences regarding underwriters turning me down and then writing the business themselves through other connections, or adjusters settling claims and then soliciting business from my customers."

A Pennsylvania agent stated: "The manager of the boiler department of an important company was a very good friend of mine. He never did tell me that he had his own accounts to supplement his income when retirement came." Another: "The manager of the

(CONTINUED ON PAGE 22)



Archie M. Slawsby



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insurance agent or
broker as you would
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United States Fidelity & Guaranty Co., Baltimore 3, Md.

Fidelity Insurance Co. of Canada, Toronto

Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore 3, Md.

Some 800 Already Registered for Texas Agents Convention

More than 800 registrations have already been received for the convention of Texas Assn. of Insurance Agents to be held May 18-19 at the Plaza hotel, San Antonio. Officers of the host San Antonio Insurance Exchange anticipate attendance will surpass 1,200.

Speakers at the opening sessions include association president, Porter El-

lis of Dallas; Commissioner Brownlee of Texas; Kenneth Ross, president of NAIA, and Daniel R. Ackerman, chairman of Great American, who will discuss "The Anatomy of Competition."

A panel on package policies will be presented by members of the Alamo chapter of CPCU, with Evans Fitch, local agent, as moderator. Panel members are: Charles F. Nichols, independent adjuster, on "The Casualty Approach"; Everett C. DeWolfe, state agent for Home, on "The Marine Approach"; and Robert G. Bezucha, special agent for Hartford, on "The Fire

Approach." The concluding speaker will be H. C. Pittman Jr., chairman of Texas Industrial Accident Board, on "Compensation Enthusiasm."

Casualty Men to Hear Donavant

Thomas Donavant of the Michigan department will speak at the May meeting of Detroit Casualty Underwriters Assn. His subject will be "Multiple Line Policies and Rate Filings as Viewed by the Insurance Department."

Commissioner Gold has approved the mercantile block for use in North Carolina, effective May 15.

Ohio Bureau Files Across Board Block, CDP, Homeowners

COLUMBUS—Ohio Inspection Bureau has filed mercantile block and the residence package policies across the board under powers newly accorded it by the Ohio department. Heretofore, the bureau has filed only the fire and allied lines features of the comprehensive dwelling and homeowners policies, with Inland Marine Insurance Bureau and National Bureau of Casualty Underwriters filing the inland marine and casualty portions. These were the so called "hand in hand" filings which were made by the separate bureaus under the advices of Interbureau Insurance Advisory Group, and, for the homeowners policies, following precisely the filings of Multiple Peril Insurance Rating Organization.

Mercantile block filings are also being made in other states on the "hand in hand" basis, following the recommendations of IRIC. Ohio's situation is thus unique, leaving IMIB and the National Bureau out, at least as filing agents on these contracts.

In a special bulletin, R. C. Irvin, rate supervisor of the department, instructed companies which have independent filings of commercial block, CDP and homeowners that they must take their pick of three courses of action, if they are members or subscribers of the bureau.

Block policies filed by such companies must be withdrawn by July 15. A company may use bureau rates and forms or it may refile its own as deviations subject to the right of the bureau to request a hearing. Or, if the company prefers, it can switch to partial subscribership in the bureau and go independent on classes for which it does not subscribe. The last choice is not spelled out in the bulletin, there being merely a reference to the portion of the rating laws which specifies that "each rating bureau shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, or subdivision or class of risk or a part or combination thereof, for which it is authorized to act as a rating bureau."

There are the same options concerning the homeowners policies and CDP, but decisions must be made by May 15. Further, the change does not affect Empiro members or subscribers for homeowners, nor those companies which write homeowners or CDP under TIRB filings, even though such companies happen to be members or subscribers of the inspection bureau.

The department bulletin summarizes the information needed to support deviations. Loss ratios are to be submitted, based on earned premiums, unless such experience is not available, in which case ratios on the separate coverages included in a combination are required. Expense figures must include loss adjustment to earned, commission and brokerage to written, other acquisition costs to earned, general to earned and taxes and fees to written.

Casualty endorsements attached to a fire policy are to be filed under the casualty rating law. However, if the fire policy and the casualty endorsements are to be sold as a unit, the date on which the filing will become effective must be after the waiting period provided for in the fire rating law.

George Carroll has purchased the Elgin agency, Elgin, Ore., from the estate of Dewey Burton.

THE SKY'S THE LIMIT . . .



Go places in a hurry with this new Hartford Major Medical Expense Policy. It is the best combination yet of the latest features in the Major Medical field. With it you can skyrocket your commission income, because virtually all your clients and prospects need and want what you'll be able to offer: *low-cost protection against disastrous medical expenses*. The market is unlimited! There are many outstanding policy features to help you cash in on this new opportunity.

Look at these advantages . . .

- ★ No hospital confinement required — a highly attractive selling point.
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- ★ Graduated premium rates — young people get an extra price advantage, and rates are competitive for all age groups.
- ★ No "inside" limits on costs of surgery, medicine, x-rays, doctors' and nurses' services, etc.
- ★ Pays in addition to other insurance (except Workmen's Compensation).
- ★ Available with benefit limits of \$5,000, \$7,500 or \$10,000, and deductibles of \$300, or \$500 or \$750.
- ★ 12 month Deductible Periods followed by 12 month Benefit Periods.
- ★ Single deductible applies to covered family members injured in common accident.
- ★ Fast claim handling and quick benefit payments through Hartford's coast-to-coast network of nearly 200 Claim Service Offices — eliminating correspondence and red tape for you and your clients.

Hartford prestige makes sales easier

When buying hospitalization and medical expense coverage, people are particularly anxious to insure with a well-known company of good reputation. The famous Hartford name and record of dependability means ready public acceptance for this policy. Extensive advertising through leading magazines reaching 20 million families is spreading the news about Hartford Major Medical. And a wealth of hard-hitting sales promotion material is available to help you reach your prospects on the local level. The Handy Rate Calculator enables producers to quote premiums with a flick of the hand. Hartford A&S Sales Representatives are well trained to be of assistance in every way possible.

Major Medical Insurance is the first step in Hartford's big Accident & Sickness expansion program. This is the time for good producers to get in on the ground floor. For further information about this superior new policy write now to: HARTFORD ACCIDENT AND INDEMNITY COMPANY.

Year in and year out you'll do well with the

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Hartford

Hartford 15, Connecticut
New York 38, New York
Minneapolis 2, Minnesota



Industry Challenges FTC Concurrent Jurisdiction Claim

**Directly Contrary to
Intent of Congress, Say
Three Organizations**

WASHINGTON—The three-to-two federal trade commission decision by which the commission asserted it has full jurisdiction in regulating the advertising of all insurance companies issuing A&S policies has been sharply challenged by the insurance business.

In a statement issued jointly by Health Insurance Assn. of America, American Life Convention and Life Insurance Assn. of America, the insurance business declared that the FTC majority opinion would "carry far beyond advertising," is "directly contrary to the express intent of Con-

gress" and "would deprive the states of their right to regulate insurance."

"Advertising is not the major issue at stake in the FTC's decision," the statement declares. "No company engaged in the business desires to publish misleading advertising and the companies have indicated this by the changes that have taken place in their advertising to bring it into conformance with the advertising code promulgated by National Assn. of Insurance Commissioners and the rules laid down by the individual state commissioners."

Asserting that the commission's decision would expand the authority of the FTC in competition with state laws and with the supervision of insurance by state insurance commissioners, the joint statement declared that the decision "is a direct challenge to the authority of the states to regulate the business of insurance under Public Law 15 enacted by the 79th Congress."

"Public law 15 provides that no act of Congress shall be construed to invalidate, impair or supersede any law enacted by a state for the purpose of regulating insurance unless the federal law specifically relates to insurance, with the proviso that the federal trade commission act shall apply to the business of insurance 'to the extent that such business is not regulated by state law,'" the associations' statement declares. The associations further pointed out that practically all the states have enacted laws governing insurance advertising.

"The three-to-two vote of the FTC is itself indicative of disagreement within the commission as to the proper scope of the FTC's authority," the joint statement declared. "The dissenting opinion by FTC Chairman Gwynne and Commissioner Mason clearly recognizes the challenge to state laws and state insurance supervisors and takes sharp issue with the majority opinion."

"The majority decision asserts that the FTC has broad and far reaching jurisdiction and authority in the regulation of insurance advertising, but the basis of the decision would carry far beyond advertising. Through the efforts of state insurance commissioners, public interest in the advertising area has already been served by the promulgation of accident and health insurance advertising rules by the state insurance supervisors. The commission's decision therefore comes at a time when the problem is being met by the states."

The associations' statement notes that the Gwynne-Mason dissent states

Underwriters Adjusting Names Two Managers

John W. Fisher who started with the Underwriters Adjusting in 1943 and has been manager at Waterloo, Ia., has been transferred to Terre Haute, Ind., where he will become manager. Mr. Fisher originally started as an adjuster at Terre Haute.

William F. Close Jr. who started with the company in 1954 and was manager at Fort Dodge, Ia., becomes manager at Waterloo.

Henshaw to Address Pa. Buyers

W. H. Henshaw, vice-president of Hartford Steam Boiler, will address the dinner meeting May 4 of Insurance Managers Assn. of Philadelphia. He will discuss present day coverages on major boiler and machinery risks and put special emphasis on the application of deductibles for property damage and business interruption and the premium adjustment plan.

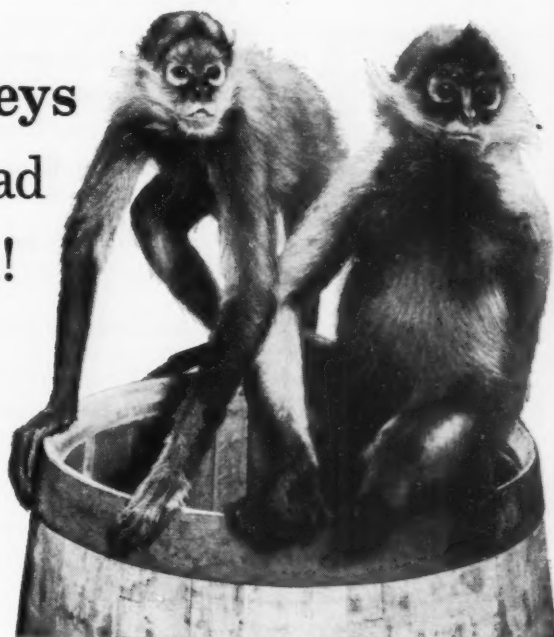
that what was done after the adoption of public law 15 "indicates that the persons concerned had no doubt about the meaning of that act." The associations then quote the following from the dissent:

"The National Assn. of Insurance Commissioners prepared a model code for the regulation of the insurance business in accordance with the directions of Congress. This code has been adopted by a majority of the state legislatures. Other states have adopted laws which in effect are equivalent. It is difficult to understand why these

actions should have been taken if the parties thereto thought that the net result would leave the law as it was just prior to Public Law 15."

The separate dissent of Commissioner Mason says in part: "The issue here resolves itself basically into that very fundamental question—states' rights vs centralized government. Our problem is not the determination of which philosophy is right—that is a legislative function. Our sole duty is to determine which road Congress has directed us to follow in the instant matter."

The monkeys that had no fun!



You've heard the expression: "More fun than a barrel of monkeys."

An American builder in Colombia feels differently!

On the site of a housing development, two monkeys jumped into a barrel, knocked over a can of cleaning fluid (containing turpentine) onto a can of bleach (containing hypochloride). The result: a chemical reaction—and a fire that destroyed thousands of dollars worth of property!

Monkey business like this can be bad business for American firms with investments overseas. But this American company was repaid every penny—through American insurance! The protection was written by a broker in the United States, working through American International Underwriters.

AIU has saved profits for thousands of American firms—and made profits for thousands of U.S. brokers and agents. They make foreign risks as easy and rewarding to handle as

domestic business... and show the way to new accounts through the foreign-market door.

AIU can thicken your portfolio, too. Discover what foreign business your clients and prospects have. Bring AIU the same kind of information required for domestic insurance. AIU will do the rest!

AIU is equipped to handle all kinds of overseas insurance. Policies are written in familiar contract terms, and take into consideration every law, custom, and peculiarity of the country involved. Claims are paid on the spot, anywhere in the world, in any currency premiums are paid in—including U.S. dollars where local laws permit.

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Houston 2, Texas	1619 Melrose Building
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overage for special purposes is a truly constructive endeavor... an endeavor to satisfy the insurance aims of industrial and other institutions.

The question arises "If there is an insurable risk, but no precedent exists, can industry have what it needs?"

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LEXINGTON has underwritten many risks not previously considered marketable. Lexington's methods make the insurance fit the requirements of the buyer.

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Convention Dates

May 6-8, Florida Assn. of Mutual Insurance Agents, annual, The Colonnades, Riviera Beach.

May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.

May 7-8, Minnesota Assn. of Mutual Agents, midyear, Leamington hotel, Minneapolis.

May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.

May 7-8, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.

May 8, National Bureau of Casualty Underwriters, annual, New York.

May 9-11, American Management Assn., insurance conference, Roosevelt hotel, New York.

May 10, Surety Assn. of America, annual, New York.

May 10-12, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.

May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.

May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.

May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.

May 15-16, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield.

May 16-19, National Assn. of Insurance Brokers, Boston.

May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.

May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.

May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.

May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.

May 21-23, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.

May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.

May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.

May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.

May 23-25, Insurance Company Education Directors Society, annual, Skytop, Pa.

May 24, Midwestern Independent Statistical Service, annual, LaSalle hotel, Chicago.

May 24, National Board of Fire Underwriters, annual, Hotel Commodore, New York.

May 27-30, Virginia Assn. of Insurance Agents, annual, Hotel Chamberlain, Ft. Monroe-Old Point Comfort.

May 28-29, Georgia Assn. of Mutual Insurance Agents, annual, King & Prince hotel, St. Simons Island, Ga.

May 28-June 1, National Assn. of Insurance Commissioners, annual, Jefferson hotel, St. Louis.

June 3-5, Tennessee Assn. of Mutual Insurance Agents, annual, Lookout Mountain hotel, Lookout Mountain.

June 4-5, Eastern Underwriters Assn., midyear, White Face Inn, Lake Placid, N. Y.

June 4-6, Conference of Mutual Casualty Companies, management meeting, Lake Delton, Wis.

June 4-8, National Fire Protection Assn., annual, Boston.

June 7, Society of Fire Protection Engineers, annual, Statler hotel, Boston.

June 10-12, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.

June 10-12, Insurance Advertising Conference, annual, Skytop Lodge, Skytop, Pa.

June 11-13, South-Eastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.

June 11-13, National Assn. of Mutual Insurance Agents, midyear, Claridge hotel, Atlantic City.

June 12-15, National Assn. of Insurance Women, annual, Conrad Hilton hotel, Chicago.

June 13-16, International Assn. of A&H Underwriters, Miami Beach.

June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.

June 17-19, New England Advisory Board of New England Assns. of Insurance Agents, summer meeting, Wentworth-by-the-Sea, New Castle, N. H.

June 21-22, Missouri Assn. of Mutual Insurance Agents, annual, Hotel Chase, St. Louis.

June 27-July 1, National Assn. of Public Insurance Adjusters, annual, Kiamisha Lake, N. Y.

June 28-30, North Carolina Assn. of Mutual Insurance Agents, annual, Mayview Manor, Blowing Rock.

July 12-14, International Assn. of Insurance Counsel, annual, Greenbrier hotel, White Sulphur Springs, W. Va.

Aug. 8-10, Alaska Assn. of Insurance Agents, annual, Fairbanks.

Aug. 12-15, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 20-21, South Dakota Assn. of Insurance Agents, annual, Cataract hotel, Sioux Falls.

Aug. 20-22, International Federation of Commercial Travelers, annual, The Greenbrier, White Sulphur Springs, W. Va.

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✓ "Shelby" agents now find it well worth while to offer in a three year policy the advantages of mutual savings—and the safety engineering that makes those savings possible—to their smaller mercantile and manufacturing risks. Would you like to do the same?

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Holds Nevada Public Bodies May Insure in Reciprocals

CARSON CITY—Attorney-general Dickerson of Nevada has reversed an opinion of last year and ruled that a political subdivision of the state may lawfully buy insurance in a reciprocal, provided the exchange is licensed in the state and the policy is non-assessable. The rehearing which led to the reversal was originated by Farmers of Los Angeles.

The original opinion was based largely on a holding that the power of attorney might obligate the municipality to pay an assessment or other charge in excess of the quoted premium and that this is illegal under Nevada budgetary laws. The reversing opinion, which is signed by D. W. Priest, deputy attorney-general, and directed to Commissioner Hammel, analyzed the power of attorney of the reciprocals in the Farmers group and pointed out that they clearly provide for no assessment and that this is not prohibited by Nevada law, which says nothing about assessments. The opinion also distinguishes the situation in Nevada from the Keystone Indemnity Exchange case in Pennsylvania in 1939 and the Taggart case in Maryland in 1941, where assessment liability was required by state statute.

The opinion also briefly disposes of two other objections. One was that a subscriber to a reciprocal becomes an insurer of property and that Nevada political subdivisions have no authority to insure property in California and other states. The opinion held that a municipality has the right to insure its property and that, since there is no assessment liability, the status of the subscriber as an insurer "becomes entirely theoretical and outmoded." The other argument—that appointment of an attorney in fact is an attempted delegation of non-delegable powers—was rejected on the ground that any insurance settlement has to be negotiated through an agent of some type and hence that essentially the situation is no different from insurance in a stock company.

Foreign Companies Must Remain Status Quo on Stocks: Holz

Superintendent Holz of New York has ruled that he will renew the licenses of all foreign and alien life companies provided they maintain status quo in regard to bank and insurance stocks and investment requirements of the New York insurance law. The question was posed in connection with Connecticut General Life's proposed acquisition of 80% of the stock of National Fire of Hartford. The proposal was dropped when the New York attorney general ruled that it would violate New York law.

Mr. Holz commented at a conference that there are only four or five companies, which he did not name, that would have any problem meeting the requirements of the law as it now stands. Life insurers agreed with his proposal for keeping the status quo until the matter can be explored further and solutions can be proposed to the 1957 legislature. The present law merely provides that out-of-state insurers shall "comply in substance" with investment restrictions placed on domestic companies.

Distaffs Names Mrs. Whitney

Mrs. Anne L. Whitney, Assn. of Casualty & Surety Companies, has been elected president of Insurance Distaff Executives Assn. of Chicago. Frances Martensen, Moore, Case, Lyman & Hubbard, is vice-president; Miss Bernice Dahl, Fidelity & Deposit, is recording secretary; Mrs. Ann Stuk, Factory Assn., is corresponding secretary, and Miss Lois Cavanaugh, Enger, Barnett & Hurwith, is treasurer.

Miss Lenore Stetzler of Glen Falls was named historian, and Miss Evelyn Freeman, Osborne & Lange, and Miss Frances Jones, Continental Casualty, were named to the executive board.

Compensation Board to Alter Rates

New York Compensation Insurance Rating Board has planned a general rate revision, effective July 1. The board will publish a schedule of the revised rates as soon as it files them with the department.

Badger Mutual of Milwaukee has moved its Chicago office to 2548 West Peterson avenue. The office serves Cook, Lake, DuPage and Will counties and is managed by Clyde V. P. Anderson.



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WORKMENS COMPENSATION

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National Union Makes Several Manager Changes

National Union has appointed George B. Kurtz manager at Milwaukee, Frank C. Ansel manager at Philadelphia and Russell C. Kneeder claims manager in Virginia and North Carolina. The company has also assigned E. A. Snowden to Omaha and eastern Nebraska as special agent, Gordon H. Casper to central and northern Illinois as state agent, and Robert H. Christman to western Missouri as state agent.

Mr. Kurtz has been with the company many years and has specialized in fire, inland marine and casualty. Mr. Ansel will be associated with T. J. Beagan, resident secretary at Philadelphia. Mr. Kneeder's headquarters will be in Richmond, Va. He completes the staff for the recently expanded multiple line facilities in that area.

Mr. Snowden will be associated with Frank Whitford, state agent at Omaha. Mr. Casper's headquarters will be at Springfield, Ill. Mr. Christman will have headquarters at Kansas City.

F. P. Britt, manager at Syracuse, N. Y., of Factory Insurance Association, is observing his 50th anniversary with the organization. He joined the association at Hartford as a blueprint boy and later was in Atlanta until he went to Syracuse in 1926.



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Business, Government Back Bill to Revise D. C. Insurance Laws

WASHINGTON — Representatives of government and the insurance business testified before the House District of Columbia subcommittee on insurance in support of a bill to bring the district's life, fire and casualty laws up to date.

Support of the revisions came from Superintendent Jordan; Milton Korman, assistant corporation counsel; Howard M. Starling of Assn. of Casualty & Surety Companies and District of Columbia Insurance Managers Assn.; Wallace M. Smith of American Mutual Alliance; Howard J. Riordan, vice-president of D. C. Assn. of Life Underwriters; Kenneth L. Kimble, assistant counsel of Life Insurance Assn. of America; Herbert M. Pasewalk, president of D. C. Assn. of Insurance Agents, and Edward J. Schmuck, chairman of the insurance committee of Washington board of trade.

Mr. Riordan said the D. C. department should have authority to set forth and enforce standards for the conduct of the insurance business, which are adequate to protect the public and the major element of the business, which is trying to perform honestly and effectively. The bill would reasonably strengthen the department's authority without impairing the rights of any interested parties.

Mr. Pasewalk said the bill would enable the superintendent to deny a new license or renewal to unscrupulous, unqualified or unworthy applicants and, at the same time, safeguard the constitutional rights of any person by providing opportunity for a full hearing and introduction of evidence in behalf of any aggrieved party from any adverse decision. The public and the legitimate fire and casualty agent and broker is protected.

Much of the testimony related to the provision to authorize the superintendent to deny a license to anyone he deems untrustworthy.

Free Tie-In Insurance Is Okay in Tenn.

Commissioner Northington of Tennessee has declared that free accidental death insurance offers, now being made by American Motors and Studebaker-Packard, do not violate any state law.

He commented that legislation which indirectly would have blocked such offers was introduced during the last legislative session but failed to pass. The commissioner said that insurance men are not particularly concerned with the motor companies offers, regarding them as sales gimmicks of minor importance. It is feared, he continued, that the offers may set a precedent for other tie-in sales of insurance with products which will have a more serious affect on the business.

Minor New Head of N.Y. Club

Edward T. Minor of Valentine, Ittner & Poggenburg, Brooklyn brokers, has been named president of Insurance Square Club of New York succeeding Burtis F. Thompson of A. L. Carr chairman. Other officers include John T. Ross of A. E. Slade agency and Herman Meshel of Fred J. Lucas & Co., vice-presidents; Aldred S. Diedrich of Chubb & Son, treasurer, and James S. Russell of Whitehill agency, secretary.

Why take unnecessary risks? It costs nothing at all to talk to your local Home Insurance agent or broker. He can give you good, sound, neighborly advice. And if you decide you need more insurance protection, he can provide the very best—quality insurance and professional service. Get his advice.

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT

**your home is worth more now—
is it properly insured?**

Every time you make an improvement on your home, you add to its value. You'd be surprised at how much it would cost to replace your home and contents today. That's why it makes sense to make sure your insurance is adequate to protect your property fully and properly.

Why take unnecessary risks? It costs nothing at all to talk to your local Home Insurance agent or broker. He can give you good, sound, neighborly advice. And if you decide you need more insurance protection, he can provide the very best—quality insurance and professional service. Get his advice.

FREE TO HOMEOWNERS—two 48-page illustrated booklets of interest to every homeowner: (1) How to Build or Renew for the Safety of Your Family and (2) Fire safety. Get yours from your agent or write The Home Insurance Company, 59 Maiden Lane, New York 6, N. Y.

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The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds
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This advertisement of The Home Insurance Company really hits hard. It can open the doors of hundreds of new prospects for you. It will help you *most* if you tie-in your own efforts with it. You can get newspaper mats, posters and other help from your Home fieldman. He stands ready to assist you in any way he can.

This advertisement appears in color in:

American Home—June • Better Homes and Gardens—June • Nation's Business—June
Town Journal—June • Business Week—May 5 • Newsweek—May 14 • Time—May 14
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COMPANY, LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

Kentucky Agents Hold District Meetings

Kentucky Assn. of Insurance Agents completed its eastern district meeting at Cumberland Falls State Park last week and will repeat the program May 14 at Hardin for western district members.

Speakers for the two-day meeting included Robert F. Lloyd, Cincinnati manager of Hartford Accident, on motivating factors leading up to the planned sales approach, and William E. Booth, vice-president of Cherokee, on the mercantile block policy. Robert A. Lawton, Central City, reported as president of the state association; Commissioner Thurman gave a report from the insurance department; Charles W. Buchanan, Barbourville agent and member of the state legislature, discussed the legislative situation; Sheridan C. Barnes, Elizabethtown, state national director, reported on NAIA affairs and Hendree B. Milward, University of Kentucky, on the insurance school.

The western district meeting will have the same program with the exception of the following changes: Thomas J. McKernan, director of education National Assn. of Insurance Agents, will speak on "Agency Expenses and Analysis of Agency Cost" in place of Mr. Lloyd; Owen Billington, Murray agent and state representative, will give the legislative report in place of Mr. Buchanan and Charles B. Chrisman, University of Kentucky, the insurance school report.

The Texas department officially has dissolved **Insurors Corp. of Dallas**. The business has been reinsured by Mid-Continent of Dallas.

\$510,000 Loss in Syracuse Bank Fire

The insured loss in a fire that swept First Trust & Deposit Co. of Syracuse, N. Y., is estimated at \$420,000 on the building and \$90,000 on contents and equipment.

Sparks from a welding torch used by a worker on a \$500,000 renovation project was believed to have caused the blaze. Coverage was divided among several companies. There was no extra expense. Valuable papers coverage is in several companies.

Tellers scooped up about \$1 million in cash and securities in filing cabinets and safes before fleeing.

Standard Accident Offers Ad Series for Agent Use

Standard Accident and Planet have made available a new series of newspaper ads and window posters for agents. In both media emphasis is placed on the agent as a local independent business man and the advantages to be gained by insuring with him. Carrying the phrase "Your agent serves you in many ways," the newspaper ads and posters this year also feature the slogan "Quality insurance does not cost—it pays!"

More Insurers Get AEC Permits

Atomic energy commission has issued access permits to Hartford Accident, Hartford Fire and Johnson & Higgins. After security clearance they will be entitled to access to restricted data of use in their business.

Rex Watkins, northwest manager for Standard Marine at Seattle for three years, has resigned to join Cravens, Dargan & Co. as marine manager at San Francisco.



Never underestimate the value of your Insurance Agent

Do you think of insurance as anything other than the necessity of paying premiums? Actually, it is the greatest expression of trust and working democracy of all our national institutions. It is the greatest combination of provident individuals banded together to compensate the few who suffer unpredictable losses.

When buying insurance, you protect yourself. You also protect your neighbor against yourself, and he in turn does the same. Your local insurance agent is the man who can properly advise you how to do it best.*

*Two-color reprints of this advertisement without Company name are yours for the asking. Write us.

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Evaluating Dishonesty Risk Is Hard Job, McCrehan Tells Buyers

One of the biggest problems in writing dishonesty coverage is to obtain sufficient information to evaluate the risk properly, John E. McCrehan, assistant manager at Chicago for Indemnity of North America, told the April meeting of Mid-West Insurance Buyers Assn. He told the corporate insurance buyers that it's not so much a question of whether "you'll get dishonesty coverage," as it is to determine the extent of the risk and fix a proper and competitive premium. He said this calls for cooperation on the part of the buyers.

To evaluate the risk properly, Mr. McCrehan said, it is necessary for the insurer to ask for such information as a personnel census, both for inside and outside jobs, and also to ask for a list of money-handling employees. The insurer also likes to be acquainted with the internal auditing system of the company applying for dishonesty coverage, Mr. McCrehan explained. He stressed the value of keeping crime and dishonesty loss records, including dates of occurrence, how much lost, amount of salvage, and remedial action taken to prevent recurrence.

Mr. McCrehan said companies demonstrating superior management and good auditing systems often make themselves eligible for special credits when buying dishonesty coverage.

In calling attention to the need for dishonesty coverage, Mr. McCrehan said it was a type of insurance not bought as commonly as fire, yet the annual losses through dishonesty exceed fire losses.

He said there was no system devised to circumvent dishonesty losses and any employee who decides he wants to steal can usually go ahead and do it. He said dishonesty losses are usually "messy" affairs that can hurt morale within the company and its public relations, too.

Mr. McCrehan pointed out that dishonesty losses are in the category of the "unknown." It can't be predicted, he said, when an employee may "turn sour." He said there is no single cause for dishonesty losses but that "wine, women and slow horses" are not uncommon motivations.

Mr. McCrehan also explained that the stigma placed against an employee who embezzles \$300,000 or \$400,000 is not as great as it used to be. He is not ostracized from society and in some cases wins probation in the courts. Mr. McCrehan said statistics show that the defaulter is likely to repeat and for that reason insurers don't extend coverage to the employee who has a record of default.

At its May meeting the buyers group will vote on two proposed changes in its by-laws. One calls for changing the name of the group to Chicago Chapter of American Society of Insurance Managers and the other for an increase in membership dues.

Wis. Assn. Hears Lawyer

Legal aspects of negligence as it refers to personal liability were discussed by Leon Schmidt at a meeting of Wisconsin Rapids Assn. of Insurance Agents. The board plans to have members of the bar association appear periodically to discuss matters of law affecting insurance.

Carleton B. Edwards, president of the Reilly Tar & Chemical Corp., Indianapolis, has been elected a director of Grain Dealers Mutual.

Leonard Resigns as Southern V-P of Trans-America Group

George B. Leonard, vice-president at Atlanta of Pacific National Fire, Paramount Fire and Manufacturers Casualty, has resigned May 1 and will enter the general agency business in Georgia. Mr. Leonard's general agency will represent Paramount Fire among other companies.

Mr. Leonard has been administrative head of the southern department of the Trans-America companies since 1948.

Schirmer Joins Gould Printing as President

Walter E. Schirmer, director of purchases for Continental Casualty and Continental Assurance, has resigned to become president of Gould Printing Corp. of Chicago. Gould Printing specializes in financial and insurance printing, and Mr. Schirmer intends to embark on a program aimed at expanding the facilities. Gould Printing will initiate a customers advisory department, one function of which will be to work with customers in developing specialized forms required in using electronic office equipment.

Organize at Rensselaer, Ind.

Rensselaer (Ind.) Insurance Agents Assn. has been formed with Norman Knaub president; John C. Chapman vice-president, and Lawrence E. Schrepp secretary-treasurer.

Edward C. Holden of United States P. & I. Agency has been commissioned a 4-star admiral in the Texas navy.

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EDITORIAL COMMENT

A Pool of Talent for Starters

One of the important corporate insurance buyers of the country not long ago observed that when he was starting out in the responsible position of buyer for his firm, he needed all the help that he could get from producers, underwriters and other insurance men, and he needed it quickly. It was a great period of education for him, and the implication was that he would have had a much more difficult time if he had not had a large pool of agents, brokers and underwriters representing a wide variety and a great supply of talent on which he could call, from which he could draw the guidance and knowledge that he had to have. In fact, he mentioned the figure of 100 as the number of those in insurance on whom he heavily leaned in that time, many of them producers.

This points up the fact that there is available this kind of talent, and that there are times when it is in more than ordinary demand.

The beginning agent himself is in the same position in his early days, and he relies upon the field man. He is just getting started, he is having trouble making ends meet. Every possibility for acquiring business means another potato in the pot. His need of the field man is sudden, continuing, and considerable.

Many field men have made their mark by being educators of this kind, by making their talents available at the moment of sharp actual and psychological need.

They have built a core of successful producers who will not forget the kind of service that was delivered when they needed it most.

tography. The 25-year members and other key employees of the bureau staff gave Mr. Lucas a dinner at the Engineers Club.

Edward B. Collett, director, vice-president and secretary of Millers Mutual Fire of Texas, has been elected to the board of the U. S. Chamber of Commerce. He is also a partner in the Walker, Collett & Rigg and Mutual Insurance agencies of Fort Worth. Mr. Collett, whose father was a founder of Millers Mutual, is president of Assn. of Mill & Elevator Mutual Insurance Companies.

Edwin H. Forkel, president of National Fire, has been elected a director of Connecticut Bank & Trust Co. Earlier he was elected a director and trustee of Mechanics & Savings bank.

Richard L. Doyle, editorial assistant to the public relations director of Home, and Mrs. Doyle are the proud parents of a baby boy, Brian Scott.

DEATHS

FRANK B. LITTMANN, 70, metropolitan New York special agent of North British group, died of a heart attack in his Brooklyn home.

ROY E. JULIAN, 69, who retired as head of Ohio Inspection Bureau in March, died at Mt. Carmel hospital in Columbus of pneumonia. Mr. Julian

joined Ohio Inspection Bureau in 1910 as an inspector and rater, and later supervised schedule, form and rule matters. He was appointed assistant manager in 1922 and manager in 1944. He had built a record of able administration and was an authority on numerous phases of the fire business.

WILLIAM A. HULTS, vice-president and a director of Auto-owners of Lansing died last week-end while shopping near his Grosse Isle home. Mr. Hults had been apparently recuperating from a heart ailment suffered last October. He had been with Auto-Owners since 1922, and was made head of the claim office at Detroit in 1925, and a director in 1946 when he was also put in charge of all branch claim offices.

I. O. FORNEY, manager of Newton Finance & Investment Co., died at Newton, Kan. He was to have retired in June. He was a past president of Newton Insurance Board.

GEORGE H. DUXBURY, 62, retired U. S. manager of North British and president and director of its four associated companies, died after a stroke at Harkness Pavillion, New York City. He retired in 1951.

During his career he served on many committees of National Board, National Automobile Underwriters' Assn., Factory Insurance Association, Interstate Underwriters Board, and Aero Insurance Underwriters. He was president of NAUA two terms, vice-president and president of Eastern Underwriters Assn. for two terms each, a director of General Adjustment Bureau, and chairman of the public relations committee of National Board.

ROBERT M. STONE, 64, Boston local agent who developed the original agency plant of Kemper companies in New England, died at his home in Lynnfield, Mass. Mrs. Stone is planning to continue the Robert M. Stone agency, which was organized in 1945.

RAYMOND G. JUNQUA, 54, manager of Junqua & Associates, an adjustment firm specializing in the automotive and lumber fields, died at Miami. Mr. Junqua entered the adjustment business in 1920 with Crescent Adjustment & Inspection of New Orleans.

SEELEY H. VIETTS, 60, retired manager at Springfield, Mass., of Century Indemnity, died at his home at Suffield, Conn. He was with the company 25 years when he retired last

June. He operated a local agency at Suffield after his retirement.

CHARLES S. SHEPARD, 78, retired secretary of Frank B. Hall & Co., New York marine insurance brokers, died of a heart attack in his home in Roselle Park, N. J.

CHARLES T. TROTT, 74, Rochester, N. Y., local agent, died there.

OWEN J. MORROW, 68, New York City insurance broker, died at River Crest sanitarium, Astoria, N. Y. He was founder and president of the brokerage in his name at 11 Fulton street.

DAVID A. TER BUSH, 79, founder and chairman of Ter Bush & Powell agency with Schenectady, Buffalo, and New York City offices, died in Schenectady. He started the agency in 1906 when he became general agent for Travelers.

MRS. CECILIA ANN LUTZ, wife of Charles A. Lutz, Jr., manager of American International Underwriters at Los Angeles, died.

MALCOLM G. WIGHT, 72, retired assistant vice-president of Hartford Fire, died in Venice, Fla., while on a vacation. His home had been at Canaan, N. H., since his retirement.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, May 1, 1956

	Bid	Asked
Aetna Casualty	122	126
Aetna Fire	69½	71
Aetna Life	180	184
Agricultural	33¼	34¼
American Equitable	38¼	39¼
American Auto	23½	24½
American, (N.J.)	28	29
American Motorists	13½	14½
American Surety (new)	21	22
Boston	37	38
Camden Fire	28½	29½
Continental Casualty	103	106
Crum & Forster com.	63	66
Federal	37	38½
Fire Association	52½	54
Fireman's Fund	65	67
Fireman's, (N.J.)	40½	41½
General Reinsurance	49	51
Glens Falls	69½	71
Globe & Republic	23½	24½
Great American Fire	40	41
Hartford Fire	157	160
Hanover Fire	43	44½
Home (N.Y.)	47	48
Ins. Co. of No. America	93	95
Maryland Casualty	34	35
Mass. Bonding	39	40
National Casualty	54	55
National Fire	112	115
National Union	41	42½
New Amsterdam Cas.	46	47½
New Hampshire	43½	45½
North River	37	38½
Ohio Casualty	100	102
Phoenix, Conn.	77½	79
Prov. Wash.	24	25
St. Paul F.&M.	57	58½
Security, Conn.	49½	51
Springfield F.&M.	55½	57
Standard Accident	50	52
Travelers	73¼	74¼
U.S.F.&G.	58	60
U.S. Fire	26½	27½

PERSONALS

Harold V. Smith, chairman of Home, has been awarded the gold good citizenship medal of the Sons of the American Revolution in recognition of service in civic and charitable organizations. He was New York USO chairman in 1955.

H. Lloyd James, chairman of Phoenix of London group, has been elected deputy grand master of New York state Masons. He is in charge of planning the new Masonic Medical Research Center for gerontology at Utica, N. Y.

Warren A. Bodwell Jr., who is associated with his father in the Lockwood-Bodwell agency at Manchester, N. H., and Miss Ann L. Gordon were married at Manchester. The bride is the daughter of Charles H. Gordon, general agent in Manchester. Warren Bodwell Sr. is retiring chairman of Eastern Agents Conference.

Nicholas J. Lucas, an inspector with Cook County Inspection Bureau, last week celebrated his 50th anniversary with the bureau. He was an inspector with the Chicago Board and has been with Cook County Inspection Bureau since its organization. Mr. Lucas was honored at a meeting in the Chicago Board auditorium in which employees of the Cook County Bureau presented him with a slide projector and other equipment to use in his hobby of pho-

NATIONAL UNDERWRITER

EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
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Assistant Editors: John B. Lawrence, Jr.
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BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wieghaus, Resident Manager.

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KANSAS CITY 6, MO.—606 Columbia Bank Bldg., Tel. Victor 2-9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.
NEWARK 2, N. J.—10 Commerce Ct., Tel. Mitchell 2-1306. John F. McCormick, Resident Manager.

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OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Fred L. White, Resident Manager.

PHILADELPHIA 9, PA.—1027 S. Broad St., Room 1127, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 3-3054. A. J. Wheeler, Pacific Coast Manager.



La. Agents Annual Under Way in Miss.

Dwelling package policies and the automobile classification plan are the main topics of discussion at the annual meeting of Louisiana Assn. of Insurance Agents at Edgewater Park, Miss., this week. Also on the program are annual reports, election of officers, and a rounded program of social activities, including a golf tournament.

Committee reports the first day were given by T. H. Schneidau, chairman of the fire division of Louisiana Rating Commission; George M. Howard of New Orleans on education, and James C. Kraus of New Orleans on trained insurance specialists. E. A. Veillon of Eunice, president, and Claude Dupree of Hartford Fire, president of Capital Stock Fire Insurance Assn. of Louisiana, greeted the convention.

Maurice Herndon, Washington, D.C., representative of National Assn. of Insurance Agents, addressed the convention at the second session. A. L. Schlesinger Jr. of New Orleans reported for the property insurance committee and Philip Jacobs of Alexandria reported on public relations and legislation. American of Newark presented its film "A Walk Down Main Street."

The dwelling package as a competi-

tive weapon for the working agent was discussed by W. E. Rushin, executive special agent of Hartford Fire at Atlanta.

Scheduled for Saturday is a discussion of the automobile private passenger classification plan and its meaning to agents, companies and policyholders by Thomas R. Chatfield, 2nd vice-president of Loyalty group at Dallas. I. T. Hart of Lake Charles will report on the finance committee, and George Menefee of Baton Rouge will report on the casualty and surety division of the

state rating commission. At the executive session, Harold Boling of Lake Charles will give his report as state national director and officers will be elected.

At the annual dinner that evening, officers will be inducted by Commissioner Wade Martin. Herman Egloff, resident manager of Employers group, will present golf prizes.

U.S.F.&G. Completes Agent Education Conferences in Ohio

U.S.F.&G. has completed a series of

educational meetings for agents in Ohio under the supervision of the Columbus office. Sessions on mercantile block, the broad form theft policy, comprehensive dwelling policy and homeowners coverages and sales were conducted in Columbus, Steubenville and St. Clairsville.

L. E. McBride, manager at Columbus, was in charge. Speakers were W. L. Venable, state agent; G. N. Paulmann, casualty superintendent; G. T. Butterworth, surety superintendent; L. F. VonVille, special agent and N. D. Aylesworth, special agent.



Rudolph A. Bahr of Home, F. G. Buswell of America Fore, Alan Wikman of General Adjustment Bureau, and R. C. Williams of Hanover, shown at Loss Executives Assn.'s 25th anniversary dinner in New York.

At Loss Executives Assn. dinner in New York: Gilbert L. Scott of North British, E. S. Brokaw of America Fore, Harold Crozier of Royal-Liverpool, and William E. Hill, retired secretary of General Adjustment Bureau.



Shown at the 25th anniversary dinner of Loss Executives Assn. in New York—George Lilly of General Adjustment Bureau; J. Victor Herd, president of America Fore; W. C. Moore and F. G. Buswell of America Fore; Ward Cunningham of Chubb & Son; C. T. Greenacre of Alliance, and T. W. Boot America Fore.

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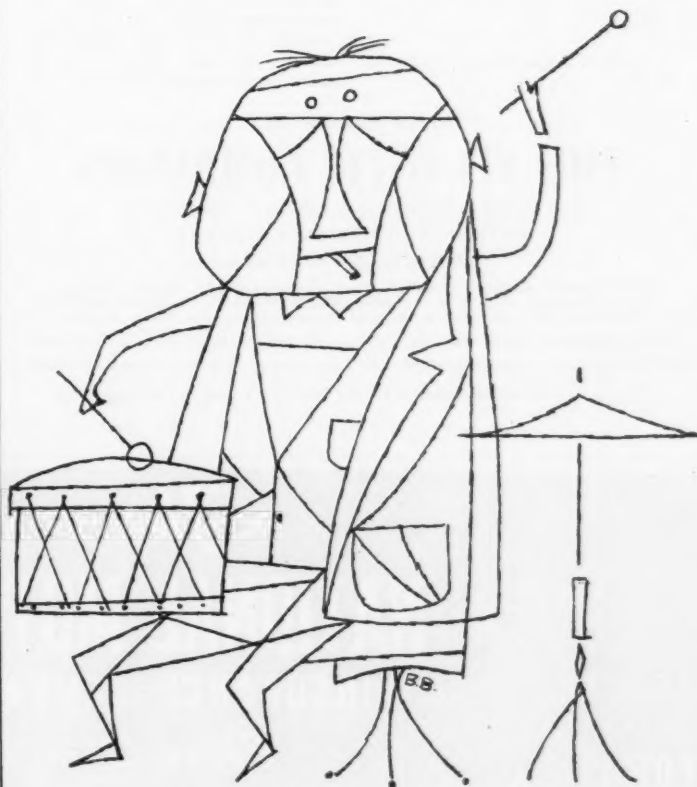
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Things every
Insurance Buyer
should know—No. 82

Your home may be your "castle", but just how secure is it?

Perhaps, like most home owners, you can't give a positive answer. The separate insurance policies protecting your home may be a maze and a mystery even to you. There may be dangerous gaps in your protection—or not enough of it.

Now there is a way out of this dilemma. The new *Homeowners Policy* has been especially designed to provide in a single policy most of the basic insurance protection a home owner needs. In one policy you get insurance protection covering:

Your personal property and household goods

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Additional living expenses while damage is being repaired

Comprehensive personal liability, including medical payments

By combining these many kinds of protection, the *Homeowners Policy* can offer a single contract well within the means of the average home owner. In most cases, the premium for the *Homeowners Policy* is considerably less than the total premiums charged for the separate policies furnishing the same protection.

See a competent, trained independent agent or broker today. Ask him to show you how to protect your "castle" the modern way—with Atlantic's broad, new *Homeowners Policy*—for less cost.

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This advertisement appears in the Country's leading newspapers

Slawsby Reports on Insurer Employee Agents

(CONTINUED FROM PAGE 11)

bond department of one of our larger casualty companies told me that he had a business on the side."

One executive said that he was about to retire so he was passing Mr. Slawsby's letter onto his successor for reply. Unfortunately the successor left for his spring vacation before getting down to it. Some executives evaded the issue. One said: "We have no control over the activities of an employee outside of regular business hours. If he is qualified to hold an agent's or solicitor's license, he could represent any number of companies and be doing business with them without our having any knowledge of it."

On the other hand, there are companies who prohibit the practice. One wrote: It is against the policy for an officer or production man to conduct a brokerage or agency business as a sideline. However, this executive added, it is permissible for a field man already licensed as broker to continue such licenses for possible future use, if they like, provided they do not use them while in the company's employ.

One Maryland company stated that the condition does not prevail among its employees. Another from the same city said that as long as others who are not salaried employees of insurance companies are legally qualified under state insurance laws to act as part time insurance agents, "we do not feel we can justify a position prohibiting our employees the same privilege. We are definitely on the side of the independent local agent, and if we felt the practice, to the extent it exists in our company, were detrimental to them, we would have long since curtailed it."

Another company said it frowned on such activities of employees because of the competitive angle and because it reduces the quality of their work for the company. Another said no man can serve two masters, and it is bad salesmanship for an agency company to permit the practice. Further, he added, "the agency companies and the local agents are allies in the current struggle between the direct writers and the agency system. Any agency company executive who would give aid and comfort to the enemy by ex-

posing potential insured to agents incapable of serving them, ought to be fined by his board of directors."

In many companies, Mr. Slawsby continued, the practice has been stopped. One company makes this a clear condition of employment, that if they have any business on the side, they must divorce themselves from it entirely. Otherwise the company will not hire them. Another company prohibits salaried employees of the company from placing any insurance either in this company or elsewhere on a commission basis. Another company from Chicago has forbidden the practice. A Massachusetts company officer states that all of his personal insurance, all of the insurance of the executive officers, and the company business are placed with individual brokers and agents. Other companies state that they have prohibited it and it is no longer a practice with their companies. One Hartford company made a survey and found that the practice did not exist with their employees.

Mr. Slawsby said that discontinuation of the practice can be achieved in a variety of ways, ways already used by some companies—invocation of a grandfather's clause, setting company policy to refuse licensing employees of its own or other companies, or by adopting a company rule prohibiting employees from receiving commission on business from any source.

Mr. Slawsby reiterated that the subsidized agent is certainly not an independent one, and he is in no position to scrap with his company in favor of policyholders obtaining all they are entitled to under the policy. He would fear being fired, losing pension rights, or other equally unpleasant alternatives. The customer would no longer have a champion interested in protecting his interests.

Morton V. V. White of Allentown, Pa., suggested the need of at least an expression of policy against appointment of employees as agents by companies. Dave R. McKown of Oklahoma City asked Mr. Slawsby if agents or general agents, members of NAIA, appointed company employees as brokers or agents, and Mr. Slawsby said yes.

Harrison P. Sargent of Seattle said agents don't like to be told how to run their business and he thought they shouldn't tell the companies how to run theirs. The alternative is to make it illegal to license such employees, but he thought Mr. Slawsby's report will achieve the result the agents desire, elimination of the practice.

H. Earl Munz of Paterson, N.J., said that in Passaic county the agents take care of the situation as it arises, and this has worked well. Mr. Slawsby said he thought the constitution of NAIA probably was enough of an expression of policy. Fredrick J. England of Cambridge suggested that a recheck of the situation by Mr. Slawsby later on might be more effective than a resolution. William L. Kline of Hutchinson, Kan., asked if Mr. Slawsby could pursue the matter without an expression of policy from the directors. The indications were that he could, and the resolution was withdrawn.

Trinity Universal has moved its home office to 307 West Cypress street, San Antonio.

The San Antonio offices of Travelers have been moved to the Kallison building, 434 South Main street. The offices of Royal-Liverpool group also have been moved to the Kallison building.

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N. J. UJF Gets 2,155 Claims in First Year

(CONTINUED FROM PAGE 1)

signed but were handled in the board's office. The board has the option of handling in its own office all claims except those involving hit and run accidents and default judgments. These must be assigned to an insurer for investigation and recommendation. Proposed settlements of less than \$1,000, as recommended by the investigating insurer, require the approval of one insurance member of the board and the motor vehicle director. On proposed settlements of \$1,000 or more, approval by the full board is required, and the settlement then must be authorized by the court in a summary proceeding.

In both cases, the uninsured defendant must agree (1) to the settlement and (2) to repay the money. So far, the pattern of settlements has been reasonably close to that of the usual negligence case growing out of automobile accidents. The unusual feature under UJF is that the wrongdoer, the uninsured, controls the settlement because he has to agree to it.

In the ordinary negligence case the insurer controls the question of settling or going to court.

Of 509 suits opened 56 were closed in the year, and 453 were pending at year end, March 31. Altogether 692 claimants were involved in the 509 suits; of this number, 64 had suits closed and 628 had suits pending at the end of the fund's first year.

The board is particularly interested in pedestrian claims, which totaled 316, and in hit and run claims, of which there were 57. There were 934 claims involving only property damage, and 165 claims involved out-of-state defendants.

Mr. Bambrick pointed out that most notices are filed toward the end of the 30 days allowed by the law from the date of accident. Most of the late ones are minor PDL claims. Under certain circumstances, the BI claim gets a notice time longer than 30 days anyway. The court can rule on the question of when a claimant becomes physically capable of filing a notice of intention to make a claim.

Observers have been impressed by the small number of claims. Mr. Bambrick still believes that this number will accelerate as the public becomes better acquainted with the existence of the fund. This will be especially so if the notice time is extended from the present 30 days to some longer period. Bills have been introduced in the legislature to extend the notice time to 90 days.

However, some believe that with the operation of the strict type security responsibility law, the number of uninsured should diminish. Claim men who investigate UJF claims say that the usual reaction of uninsured defendants is that they are going to buy insurance.

Administration of the fund has been quite satisfactory, Mr. Bambrick stated. This is chiefly due to the cooperation of insurers. The claim men in the field have done an exceptionally good job. The quality of their investigations is high. Yet they are faced with a new procedure involving some differences of handling. Mr. Bambrick notes that the claims resemble settlement of malpractice claims in which the company has to get the agreement of insured before making a settlement. There is somewhat more work attached to the UJF claim and judgment procedure than with the usual negligence case.

Presently there is \$3,600,000 in the fund, which includes the assessment of one-half of 1% of earned automobile BI and PDL premiums in New Jersey which were due March 1 from insurers. Motorists will pay another fee beginning with the registration year that starts in July. Originally insured paid \$1 and uninsured \$3 at time of car registration. For the 1955-56 registration period, these figures were 75 cents and \$2.75. Current legislation, which already has passed the senate, would put a top fee of \$8 on uninsured, and if this produces enough revenue to maintain the fund, together with the one-half of 1% on insurers, there will be no fee paid by insured. However, the motor vehicle director has authority under the bill to assess insured if the \$8 plus the one-half of 1% is not enough to support the fund. Expenses of the board are paid pro rata by insurers, but they get a credit

Accident Month	All BI Claims	All BI Incurred Losses	BI Ped. Claims	BI Ped. Incurred Losses	Hit & Run Claims	Hit & Run Incurred Losses	PDL Claims	PDL Incurred Losses	Total BI & PDL Claims	Total Incurred BI & PDL Claims
1955										
April	97	130,505	27	73,450	3	10,750	55	17,845	152	148,350
May	114	154,599	15	35,500	2	7,500	48	17,516	162	172,115
June	101	177,150	26	72,100	6	8,500	69	22,823	170	199,973
July	113	188,850	19	47,550	5	4,000	48	16,030	161	204,880
Aug.	129	258,225	21	81,300	2	3,000	61	22,843	190	281,068
Sept.	92	115,250	15	29,600	2	800	60	19,930	152	135,180
Oct.	156	195,950	20	36,750	7	15,000	85	26,755	241	222,705
Nov.	151	203,300	30	73,350	7	22,000	89	30,728	240	234,028
Dec.	144	185,500	52	103,600	10	11,150	91	24,014	285	209,514
1956										
Jan.	149	155,775	35	73,200	9	18,850	90	24,715	239	180,490
Feb.	137	161,350	41	80,050	7	16,500	73	23,305	210	184,655
March	1	750					2	350	3	1,100
TOTALS	1,384	1,927,204	301	706,450	59	118,050	771	246,836	2,155	2,174,060

of this amount on their one-half of 1%.

The accompanying exhibit of experience of the New Jersey UJF covers its first year but because notices are customarily late, the results for March, 1956, are not complete. The figures are regarded as fully realistic for 11 months. The incurred losses and claims include those that have been paid and those that have been reserved. The heading "accident month" means the month in which the accident occurred, as distinguished from the time when the claim was filed. Pedestrian and hit and run losses are

shown because of special interest in this phase of the fund's operation.

Baseball Talk at Minneapolis

MINNEAPOLIS—Insurance Club of Minneapolis at its April luncheon featured talks on baseball. The guests were "Rosy" Ryan, general manager, and Eddie Stanky, manager, of the Minneapolis Millers.

W. O. Osborn, local agent at Culver, Ind., was honored by American on his 50th anniversary as an agent of the company.

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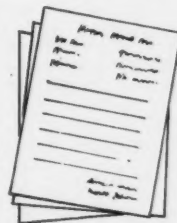


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A & S

Kosick New President of Los Angeles A&H Underwriters Assn.

New officers elected at the annual meeting of the Los Angeles A&H Underwriters Assn. are J. F. Kosick, Washington National, president; Richard H. Dutwiler, National Casualty, 1st vice-president; Frances Sandidge, Massachusetts Protective, 2nd vice-president and Edward Porter, Washington National, secretary-treasurer.

The membership voted to continue to send a delegate to the annual meeting of International Assn. of A&H Underwriters.

Dr. K. C. Young, executive secretary of the Los Angeles County Medical Assn. talked on "The Doctor and Underwriting Relations." The doctor declared that a majority of the public believes their A&S coverage sufficient while most physicians hold the opposite view. Both groups agree there are too many loopholes in respect to setting of fees. He recommended that no fee be charged by physicians for filling out routine reports in insurance cases.

Credit A&S Rates Reduced in Texas

AUSTIN—Rate reductions of about 10% in credit accident and sickness insurance along with higher reserve requirements and plans for stricter enforcement, were ordered last week by the Texas board of commissioners to become effective July 1.

The rate order, which was the first issued on credit business since late in 1952, was notable in two other respects: The reductions amounted to only about half of the cut-back recommended by Consumers Credit Insurance Assn. at the April 3 hearing and it was adopted on a split vote by the three-member board. Commissioner Morris Brownlee protested against the section leaving the amount of insurance that may be required at from 175 to 300% of the loan note, insisting that the maximum should be 100% of the note.

The new credit A&S rates are: Eliminating first 14 days of disability, down from 2% to 1.8%; retroactive after first 14 days and eliminating first 7 days, each down from 2.5% to 2.3%; retroactive after 7 days, down from 3.3 to 3%; retroactive after first 6 days and eliminating first 3 days, each down from 3.5% to 3.2%, and retroactive after first 3 days, down from 5% to 4.5%.

The order left the maximum rate for level life and reducing life unchanged, but eliminated certain minimum fees. It increased reserve requirements from 18 to 25% of premiums charged and it reduced the policy writing fee on loans under \$100.

W. Va. Will Allow \$25 Deductible A&S Cover

The West Virginia department has filed a regulation with the secretary of state which will permit hospital and medical service plans increased latitude in contracts, including a \$25 deductible. Most of the plans affected are Blue Cross and Blue Shield. The regulation applies to both individual and group plans.

The department has formulated new standard hospital service and medical service contracts. They are similar to existing contracts which are issued to

individuals. The group contracts permit the use of some optional provisions. All rates must be approved by the insurance department.

The group contracts now may offer a selection of ward, semi-private or private room accommodations, or a dollar amount toward any of the three, any desired amount of maternity coverage, a contract providing limited or unlimited benefits, etc. Each group may request the coverage best suited to its situation.

Gillespie to Group Disability Post for Fireman's Fund

Fireman's Fund group has named Loring P. Gillespie manager of a newly-created group disability department in Chicago.

Mr. Gillespie will supervise production and underwriting of all group disability lines in the territory east of the Rocky mountains. His immediate duties will include the formation of group disability units within the eastern, New England, southern and southwestern departments of Fireman's Fund. Special effort will be made by these newly created units to further expand Fireman's Fund operations in the group major medical disability field. The development of a full line of disability coverages is also planned.

Mr. Gillespie has been in the group insurance field since 1943. Before joining Fireman's Fund, he was superintendent of the group disability division of a leading company in Chicago.

N. C. Adopts NAIC A&S Advertising Code

Regulations governing the advertising of A&S policies have been adopted by Commissioner Gold of North Carolina, effective May 1.

The rules are identical with those recommended by the National Assn. of Insurance Commissioners with the exception of one change proposed by Health Insurance Assn. Mr. Gold agreed with the association that "agent" and "broker" should be omitted from the definition of the term "insurer," but agent and broker should be liable to the extent they are responsible for advertising any policy.

The commissioner turned down the conference's suggested preamble. Instead, he wrote his own, a brief paragraph citing the statutory authority for adopting advertising regulations. Mr. Gold said he feels the rules will be "beneficial to the public."

Philadelphia A&S Assn. Elects Officers

Philadelphia A&H Assn. has elected Vincent A. Rutledge of Hutchinson, Rivinus & Co. president, Joseph R. Grubb Jr. of Educators Mutual and John E. Colburn of Berthelon-Rowland Co., vice-presidents; Robert N. Cowan and Frank J. Trimbura, treasurers, and Frank E. Muscal and J. B. Gaasky, secretaries.

Mutual Benefit H. & A. Has \$6 Million Gain in Quarter

Premium income of Mutual Benefit H.&A. in the first quarter of 1955 was \$6 million ahead of the total in the same period last year, directors were told at their quarterly meeting. Benefits paid to policyholders and beneficiaries in the first quarter were 19% greater.

St. Paul A&H Agents Elect

Loane J. Randall, executive vice-president of St. Paul Hospital & Casualty Co., has been elected president of St. Paul (Minn.) Assn. of A&H Un-

derwriters. Terry McGovern of the same company was named secretary-treasurer.

Mich. Unions Ready to Set Up Own Hospital Plan

LANSING—Formation of a union-sponsored hospital and medical plan similar to the competitive with Blue Cross got a boost last week when the Michigan attorney-general ruled it is not necessary that members of the medical profession approve such plans or that a majority of the directors be doctors.

Some of the Michigan unions, particularly the automobile workers, have been critical of Blue Cross since it increased its rates recently, and it is anticipated they will present detailed plans for formation of their own service organization to the insurance department.

Canton, O., Blue Cross Seeks Rate Increase

Hospital Service of Canton (Blue Cross) has filed with the Ohio department a request for a rate increase on three of its contracts. For the group 70-day comprehensive family contract, Blue Cross seeks to change the \$5.50 monthly rate to \$6.30; for direct pay special enrollment single ward contracts, the rate would be changed from \$2.35 to \$3.75, and for the direct pay special enrollment single semi-private room the rate would be changed from \$2.60 to \$4.

Coursey Milwaukee Speaker

William G. Coursey, managing director of International Assn. of A&H Underwriters was speaker at the May meeting of the Milwaukee association. His subject was "A little Caution—A lot of Humor."

Eleven new members were introduced by Thomas E. Callahan, Time, president, after being presented by James Dollan, executive vice-president. Dale B. Potts, Wisconsin Casualty, state president, reported on progress in plans for the state convention and sales congress to be held Sept. 20-21 in Milwaukee.

Minn. Adopts A&S Ad Code

The National Assn. of Insurance Commissioners advertising rules governing A&S have been adopted by the Minnesota department, effective July 17.

Flint A&H Agents Hear Mero

Leo G. Mero, division manager at Flint, Mich., for Mutual Benefit H.&A., discussed "Prospecting for Business" at the meeting of Flint Assn. of A&H Underwriters. Mr. Mero was recently transferred from Phoenix, Ariz., where he was state sales manager.

FIELD

Harris Talks to Field Club at Rochester

W. H. Harris, assistant U. S. manager of Phoenix of London group, addressed Insurance Field Club of Rochester, N. Y., at its April meeting. He outlined the mercantile block form and discussed its development in California and other states, its current status in New York and its underwriting and sales problems.

Eunice, La., Inspected by Agents

Eunice, La., was inspected by more than 35 members of Capital Stock Fire Insurance Assn. of Louisiana. John J. Gidiere and Robert C. Jakob of New Orleans were co-chairmen of the inspection. Claude C. Dupree, president of the association, was coordinator,

and Robert MacFarland, secretary of Southeastern Underwriters Assn., assisted with the inspection.

WUA Field Clubs Schedule Annuals for May, June

Annual meetings of field associations sponsored by Western Underwriters Assn. have been scheduled as follows: Cook county, May 15, River Forest country club, River Forest.

Illinois, June 13-14, Nippersink Manor hotel, Genoa City, Wis.

Indiana, June 14-15, Culver Inn, Culver.

Iowa, June 13, All Vet's club, Clear Lake.

Kansas, May 15, Lassen hotel, Wichita.

Kentucky, June 20, Kentucky Dam Village, Gilbertsville.

Michigan, June 11, Johnson's Rustic Tavern, Houghton Lake.

Minnesota, June 20, Roberts Pine Beach hotel, Gull Lake.

Missouri, June 14, Rockaway Beach hotel, Lake Taneycomo.

Mountain, meeting held in October.

Nebraska, May 8, Blackstone hotel, Omaha.

New Mexico, May 21, Alvarado hotel, Albuquerque.

North Dakota, June 13, Parker hotel, Minot.

Ohio, June 13, Summit hotel, Uniontown, Pa.

Oklahoma, May 8-9, Lake Murray Lodge, Ardmore.

South Dakota, June 5, Marvin Hughitt hotel, Huron Tennessee, June 20, New Gatlinburg hotel, Gatlinburg.

Wisconsin, June 20-21, Maxwellton Braes, Baileys Harbor.

Alamo Field Club Inspects Del Rio, Texas

Members of Alamo Field Club inspected 18 public buildings and churches and 19 mercantile establishments in Del Rio, Tex., finding 856 hazards.

Of the hazards, 55% were attributed to defective wiring and 15% to poor housekeeping.

The field men gave 11 programs for high school students.

Eugene Sanders, director of fire prevention and state fire marshal, made brief talks emphasizing that people and not things cause fire.

The inspection was climaxed by a parade which included the fire department band, the Boy Scouts and a chamber of commerce float.

Montana Pond Gathers

Montana Blue Goose is holding its annual meeting this week at Great Falls, and Montana Fire Underwriters Assn. is having its spring meeting there also. The Blue Goose program includes a reception and dance Thursday evening and a business meeting, election and initiation the next day.

Baseball Talk at S. F.

Dr. Robert Brown, who formerly played in the infield of the New York Yankees, spoke at the April 30 meeting of the San Francisco Blue Goose. Robert Goethe of General Cover Department was chairman.

Conn. Field Club Holds Annual

Connecticut Insurance Field Club will hold its annual meeting May 7 at Hotel Bond in Hartford.

Alamo pond of Blue Goose (San Antonio, Tex.) has scheduled a picnic for members and their families at Starkey park, Seguin, Tex., May 5.

March Traffic Deaths at Record Level

Traffic deaths in March numbered 2,960, up 12% over March of last year, the largest March death total in history and the 13th consecutive month of increases in traffic accident fatalities, according to National Safety Council estimates.

The council has declared a traffic accident emergency exists and said the regional conferences of the President's Committee for Traffic Safety might well be called emergency meetings. The council said the record of 39,969 traffic deaths in 1941 will be broken this year if the trend continues. The first quarter indicates that fatalities must be reduced by 300 every month for the remainder of the year to keep below the 1941 record.

For the first quarter of 1956, deaths were up 11% with a three-month total of 8,590, the second largest ever recorded for that period.

Indiana Caravans Will Start Their Tred Next Week

INDIANAPOLIS—A series of panel discussions on the new package policies will be held in various Indiana cities under the sponsorship of Indiana Fire Underwriters Assn. and Indiana Casualty & Surety Managers. The panelists, field representatives for stock companies, will make up two caravans, one for the northern cities and one for the southern cities.

The northern caravan will be at Fort Wayne May 8, South Bend May 9, and Gary May 10. Carl Adams, New York Underwriters, is moderator of the northern panel. Others on this panel are Ward Hackleman, American, N. J.; William J. Welsh, Springfield F.&M.; Robert Hubbell, Northern Assurance; Charles Lyden, Home, and William Jones, American Surety.

The route followed by the southern panel will be New Albany May 8, Evansville May 10, and the Indianapolis May 15. Warren Bess, Atlas, will moderate the southern panel, which will include Terry Carpenter, Travelers; William Fisher and Paul W. Down of Commercial Union; H. W. McCusker Jr., Royal-Liverpool; and William Smead, Standard Accident.

Edward W. Melsh, Sun, is the general chairman of the caravans, the purpose of which is to acquaint local agents and their personnel with the latest developments in the homeowners policies and the comprehensive dwelling policy.

Grand Rapids Puddle Names Cameron Big Toad

Grand Rapids puddle of Michigan Blue Goose has elected Donald A. Cameron Jr., North British, big toad for the 1956-57 term. Other officers are: Pollywog, Robert J. Moriarity, Michigan General Agency; croaker, Craig R. Linderman, North America; keeper, John L. Moore, Ohio Farmers; bouncer, Ray E. Richardson, Corroon & Reynolds, and tiny pollywog, Al Terhune, independent adjuster.

Insurance Women of Tyler (Tex.) at their annual meeting elected the following officers: Miss Wanda Davis of the Dennis agency, president; Mrs. Beth Stevenson of the Anderson agency, 1st vice-president; Mrs. Shirley Head of Floyd West & Co., 2nd vice-president; Mrs. Mary Ohler of Trinity Universal and Miss Willie Morrison of the Jackson-Morrison agency, secretaries, and Mrs. Maxine Reed of the Allen agency, treasurer. The officers will be installed at the annual bosses' night dinner, May 12.

Program Completed for Alabama Agents Annual, May 6-8

A board meeting and registration on Sunday will open the three-day convention of Alabama Assn. of Insurance Agents at the Whitley hotel, Montgomery, May 6-8.

Speakers at general sessions on Monday include Karl E. Albrecht, president of Gulf American F.&C., on "Challenge to the Bond Business" and Louie E. Woodbury Jr., Wilmington, N.C., agent and National Assn. of Insurance Agents executive committee member, on "What Kind of Salesman Are You?" An executive session and buffet supper are scheduled for the afternoon and evening.

A rural and small lines agents' breakfast will open Tuesday's sessions followed by speeches on "The Mercantile Block Coverage" by James C. O'Connor, executive editor of F.C.&S. Bulletins; "Proper Claim Handling Means Increased Business" by Hugh D. Combs, executive vice-president of U.S.F.&G., and "Efficiency Plus—What?" by Everett P. Johnson, state agent of the Turner general agency of Montgomery, and C. H. Avery, state agent of Springfield F.&M. group.

James P. Walker, Augusta, Ga., local agent and past-president of Georgia Assn. of Insurance Agents, will detail "The Augusta Story" at the afternoon session. Other speakers include: R. K. Rice Jr., executive assistant of General Adjustment Bureau at Atlanta, on "Why a Company-Owned Adjusting Organization"; Fuller Kimbrell, Alabama director of finance, on "The Insurance Agents Place in the Community"; and Dana Jester, state agent for Home, and George A. Lee Jr., state agent for Phoenix-Connecticut group, on "The Evolution of Dwelling Coverages."

The convention will conclude that evening with the annual banquet, installation and presentation of awards.

Springfield F. & M. Names Casualty Men

Springfield group has appointed Wilbur J. Messier casualty underwriter at Providence and Irving R. Thrall casualty underwriter at Washington, D. C.

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New Mexico	Washington, D.C.

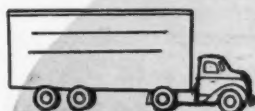


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Howard E. Mankin, Executive Vice-President
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Coverage Panel Closes Eastern Agents' Meet

(CONTINUED FROM PAGE 7)

he does not think the marriage can be hurried. It will take some time.

One question was: Why do Hardware Mutuals have access to National Bureau fleet rates? Mr. MacBean replied that they are subscribers. He added that Hardware Mutual gets fleet business with its discount, but because the agents do not have experience and schedule rating available to them in the manual, it is difficult for them to cope with this competition.

Mr. Hubbard was asked to give an example of an automobile claim that would be an occurrence but not an accident. He suggested that the honking of a car might give someone a nervous breakdown. Mr. MacBean said a mother with a child might be standing on a corner and be almost struck, with deleterious consequences to her nervous system. This would be an occurrence and not an accident.

Why can't the liability portion of homeowners be endorsed to cover a doctor's downtown office? Mr. MacBean said there is no reason, that the comprehensive personal liability presently permits this.

Mr. Maguire does not like the \$50 deductible in coverage C of the homeowners. Also, he believes, because of the use of a comma instead of a semicolon, the C policy is liable for full cover under tearing asunder, explosion, cracking, etc. He suggested that the mandatory wind deductible is going to spread. Under coverage B there was a \$50 deductible on vandalism and malicious mischief, but this has been revised out.

What about the single limit for automobile? Mr. MacBean likes it but he does not think agents are going to get it. The difficulty is financial responsibility limits. He said there might be a chance of getting one limit for bodily injury, at least more of a chance than getting it on both BI and PDL.

Is the local agent going to get a truly competitive automobile cover soon?

Mr. MacBean said that in six months or less there will be a revised automobile policy which will be a lot better than what the agent now has. Will the automobile engine number and description have to be inserted in the new automobile policy? Mr. MacBean said yes on PHD and no on BI.

Why is there a \$50 deductible in coverage C of the homeowners on theft and not in A and B? Mr. MacBean said that customers buying C are used to the deductible, very likely, because they are PPF-type customers. He said

he understands the deductible disappears at \$500.

E. Stuart Windsor of Baltimore, chairman of the EAC conference committee, and David W. Florence of Commercial Union, 1st vice-president of Eastern Underwriters Assn., shared the duties at the breakfast session of association secretaries and officers. On hand also were Arthur Polley, vice-president of Hartford Fire, Fred W. Doremus, EUA manager, John Pinkney of Phoenix of London, vice-president and chairman of the public relations committee of Connecticut Field Club, and Robert E. McKay, assistant manager of EUA. Several other members of the EUA PR committee were at the breakfast.

Mr. Windsor described the Pennsylvania PR program which started in 1951 and which was a pilot effort in which EUA, the field clubs, and the local boards participated. This was a highly successful program and continues to be. Mr. Pinkney discussed the field club's activities on PR in his state, and Mr. Doremus outlined the contents of EUA's kit containing how to plan a town inspection program, hospital booklet, etc.

The important thing is to try to get each local board to find one man to spearhead the PR effort, Stanley Cowman of Philadelphia stated. There are plenty of opportunities today to tell the public about the insurance business. William Graul of Allentown talked about the successful PR program of his local board.

Nathan Proller, agent of Glens Falls, N. Y., said that the important thing is to find some way to dramatize the kind of job agents are doing. Frederick J. England of Cambridge said that the Boston board's junior fire brigade has never lost its continuing favorable effect. Walter E. North of Bridgeport, president of the Connecticut association, said that his state's auto physical damage campaign has had good results.

Among the out of town visitors were the president of the Arizona association, L. King Taylor, who said that the Phoenix board writes all the city business and uses the commissions to promote safety; Harry A. McClain, executive secretary of Indiana association; Joseph H. Bishop, executive secretary of Cleveland board; Hayes Kennedy, executive secretary Alabama association, and Russell Miles of Kingsport, president Tennessee association.

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Mutual Alliance Presents Views on Model WC Bill

American Mutual Alliance has refrained from making any recommendations or suggestions to the Department of Labor concerning its draft of the so-called model workmen's compensation bill on grounds that they would be inconsistent with the point of view of the member companies of the alliance.

Newell R. Johnson, general manager of the alliance, summed up the results of a study of the proposed bill by member companies in a letter to Arthur Larson, under secretary of labor. He pointed out that the views expressed in the letter had "the unanimous approval of the member companies of the association."

Portions of the letter follow:

"While we have studied the law in detail our observations are primarily concerned with certain fundamental principles which we feel are basic to the proper functioning of any WC system....

"The demands upon such a system will vary from state to state.... In that WC is interrelated with the entire social and economic structure of the community, it must be responsive and sufficiently elastic to meet the needs of the individual community or state... and changing social and economic conditions. Such a system cannot, nor should it be, hamstrung in its development by standards which are devised for other areas and other industrial conditions.

"What possible role can a 'model' law play in the WC picture? It has been suggested by the Department of Labor that an exemplary act could be drawn which would include the best provisions of the best acts of every state and that such an act could serve as a model for all states. In our opinion there can be no such exemplary act for all states to follow. What may be sound policy for one state may not be sound policy in another. It is easy to say that the best provisions of each state should be used as a model. However, this proposal assumes that all interested persons will recognize what the 'best' provisions are. Unfortunately, the 'best' provisions will depend upon the particular philosophy of the person or group that is analyzing the provisions. Agreement on the 'best' provisions in an area where there is

such wide divergence of opinion would be impossible....

"The method of grafting isolated provisions on to state laws can only bring confusion, unnecessary litigation and a resulting hodge podge of laws that will make the system less effective.

"By promulgating the model bill the Department of Labor is attempting to establish standards for states to follow in the enactment of their WC laws. The implication is that those states which do not have the provisions of the model law are inadequate according to Department of Labor standards. It is our opinion that the judgment as to whether a system is adequate or inadequate should rest with the people of the state involved—for they are the ones that are particularly and primarily concerned. The laws of the state are and should be a reflection of the desire of the people of that state. Contrary to what seems to be the thought of the Department of Labor, these laws have received the considered attention of many people in the individual states concerned who have a vital interest in seeing that these laws function properly. Employers groups, labor unions, insurance carriers, the medical profession and other interested parties have participated in a free exchange of ideas which has worked to the improvement of WC laws. On the whole the results of this method have been satisfactory and the system of state control has proved to be successful."

Agency Uses Roasted Dog Story in Promotion

To promote fire insurance Cunningham agency of Natchitoches, La., used a poignant story of an old man whose dog was roasted alive in a fire that burned his house down.

A half-page newspaper advertisement captioned "The Tale of the Roasted Dog," told the story of old Uncle Peter Waldroup who had no fire insurance and lost everything but three unused barrels of water that constituted his fire fighting equipment. It pointed out that he was even unable to obtain Red Cross assistance.

The rest of the ad in bold face type explained how small fire insurance payments, though unable to save his dog, would have left him with more than his three barrels of water. It pointed out the relatively low cost of other covers offered by the agency including A&S and auto insurance and offered to look over and bring up to date personal insurance programs.

The Springfield, Mass., agency of Baldwin, Simons & Campbell has marked its 70th year of representing Phoenix of Hartford.

Richland, Wash., Wins U. S. Chamber's Top Fire Award

Richland, Wash., has won the grand award in the international local chambers of commerce fire safety contest conducted by U.S. Chamber of Commerce.

Awards to winners in six population classes were made to San Antonio in class I; Dayton, O., and Louisville in class II; Hartford in class III; Portland, Me., in class IV; Wausau, Wis., in class V, and West Milwaukee in class VI.

Honor certificates were won by the following cities:

Class I, population over 500,000—Cincinnati, Chicago, Dallas, New Orleans, Houston, Denver, St. Louis, Buffalo, Detroit and Baltimore.

Class II, population 250,000 to 500,000—Long Beach, Cal.; San Diego, Memphis, Fort Worth, Norfolk, Rochester, N.Y.; Oklahoma City, Columbus, O.; Oakland, and Honolulu.

Class III, population 100,000 to 250,000—Providence, Spokane, New Haven, Grand Rapids, Little Rock, Phoenix, Pasadena, Wilmington, Del.; Chattanooga, and Scranton, Pa.

Class IV, population 50,000 to 100,000—Lexington, Ky.; West Palm Beach, Fla.; New Britain, Conn.; Greensboro, N.C.; Schenectady, N.Y.; Cedar Rapids, Ia.; Bethlehem, Pa.; Pueblo, Colo.; Evanston, Ill., and York, Pa.

Class V, population 20,000 to 50,000—Watertown, N.Y.; Chelsea, Mass.; Killeen, Tex.; Salisbury, N.C.; Boise, Ida.; Muskegon, Mich.; Fargo, N.D.; Kokomo, Ind.; Mount Clemens, Mich., and Minot, N.D.

Class VI, population under 20,000—Stevens Point, Wis.; Newton, Kan.; Naugatuck, Conn.; Vincennes, Ind.; Albany, Cal.; Valley City, N.D.; Fort Collins, Colo.; Sturgis, S.D.; Merced, Cal., and Port Arthur, Wash.

The grand winner and the winner in each population class were presented trophies at the organization night dinner of the chamber's annual meeting in Washington, D.C.

T. C. Williams has acquired the S. C. Lochrie agency, Ilwaco, Wash.



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LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

The Successful Agent is a

GOOD STUDENT

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Says a Pearl-American Agent in Northeastern Ohio. This is his story:

"For some time I had been trying to convince a wealthy manufacturing acquaintance of mine that he should let me make a complete survey of his insurance needs. He was friendly but I got nowhere. One day he phoned and said he wanted me to write a policy on a new fur coat and diamond ring which he had just bought for his wife. I knew he was the kind of a person who should have a Personal Property Floater so I said to him, Mr. Blank I'll be glad to bind coverage on a temporary basis but much as I appreciate the business I cannot in fairness to you write the coverage permanently without first examining all of your personal policies to make certain that the policy you have asked me to write fits in with the policies you now have. To make a long story short, he was so impressed by my willingness to turn down business rather than sacrifice a business principle that I, with the help of your field man, wound up making a complete survey, not only of his personal business but his entire plant."

P. S.—The personal survey disclosed six separate Jewelry and Fur Floater policies!

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the properly qualified "Independent" local agent can best SERVE the insuring public. Unlike the "Captive" agent he is free to utilize the insurance facilities of the world. In the present and continuing struggle between "Independent" and "Captive" agents it is important that this capacity of THE "Independent Local Agent" to SERVE be emphasized again and again. This series of twelve actual stories of everyday service rendered by "Independent" agents is published in that spirit. Reprints are available without cost or obligation.

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8 Capitol Indemnity Stockholders Sue to Gain Board Seats

INDIANAPOLIS—Eight stockholders of Capitol Indemnity of Indianapolis, including two former Indiana insurance commissioners and several men prominent in the affairs of Franklin General of Indianapolis, have filed suit in superior court here, charging they were illegally unseated from the board of directors after gaining control at Capitol Indemnity's annual meeting April 19. The eight stockholders, who have asked Judge Walter Pritchard to declare them the rightful members of the board, are: Frank S. Viehmann and Harry E. Wells, both former insurance commissioners; Joseph B. Kyle, manager of Franklin General and president of Firemens & Mechanics, which is owned by Franklin General; F. Shirley Wilcox, secretary-treasurer of Firemens & Mechanics; Prof. J. Edward Hedges, vice-president of Franklin General and professor of insurance at Indiana university; William J. Donovan, Robert L. DeHoritz, and F. Joseph Viehmann.

Frank Viehmann is presently secretary of Franklin General and Mr. Wells is president of American Travelers Life.

The plaintiffs charge they had a majority of votes and were nominated as directors at the annual meeting, but that Howard D. Moon, president of Capitol Indemnity, refused to accept their election and seated his own board. Mr. Moon, they charge, ruled out a transfer of 185,000 shares of stock which would have given the Franklin General group control of the company, asserting that the company's by-laws had been amended to provide that stock transfers be made at least 30 days before the annual meeting, instead of 10 days as formerly was the case.

Named as defendants were the members of the Moon board.

W. Va. Mutual Agents to Hold Clinics in Clarksburg, Charleston

West Virginia Assn. of Mutual Insurance Agents will hold its annual educational clinics May 7 at Clarksburg and May 9 at Charleston.

Speakers at the clinics will be Commissioner Gillooly; D. C. Griffith, assistant to the president of Shelby Mutual, on comprehensive general liability; Roy P. Herold, Wheeling, on agency management; C. Goodman Jones, Bluefield, on agency management; Russell K. May of Inland Mutual, on financial responsibility and sub-standard insurance, and William D. Metz of State Automobile Mutual, on homeowners.

Farmers Alliance Mutual and Alliance Mutual Casualty will hold an open house at their new home office building, 1122 North Main street, McPherson, Kan., May 5 and 6.

Insurer Information Service Organized in Michigan

LANSING—Eleven Michigan-domiciled casualty insurers have organized Michigan Insurance Information Service, with offices at 611 Bank of Lansing building. The new organization, patterned somewhat after similar services on the Pacific coast, in Texas and Massachusetts, has as manager Lee T. Matthews, formerly a Jackson newspaperman and also formerly with a Cadillac television station and with an advertising agency.

L. J. Carey, vice-president and general counsel Michigan Mutual Liability, is chairman of the new organization. He said its primary purposes are: To set up a public information and education program in behalf of the casualty companies of Michigan; promotion of traffic, industrial and household safety, and co-operation with other organizations and state agencies devoted to or interested in safety activities.

Other officers of the information service are: Secretary, W. C. Searl, Auto-Owners, and treasurer, Edward Rockwell, Detroit Automobile Inter-Insurance Exchange. Company members are Citizens Mutual Automobile, Howell; Farm Bureau Mutual of Michigan, Frankenmuth Mutual Automobile, Michigan Millers Mutual, National Casualty, Standard Accident, Wolverine and Wolverine Mutual.

While groundwork had been laid and plans were virtually complete for opening of the information service prior to passage of the compulsory automobile insurance act in New York, creation of the new Michigan bureau is particularly timely now in order to set forth the insurers' viewpoint during the coming legislative session (1957) when it is anticipated strong pressure will be exerted for a compulsory law in Michigan.

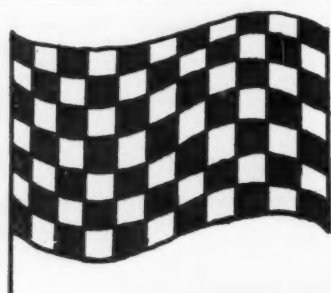
Kemper Companies to Give Breakfast for Management Association Conference

For the tenth consecutive year, Kemper companies will furnish breakfast to members of the American Management Assn. attending the May insurance conference in New York.

Norris C. Flanagan, executive vice-president of Lumbermens Mutual Casualty and American Motorists, will welcome more than 200 insurance buyers attending the breakfast. There is no formal program and any buyer attending the conference is welcome.

Citizens Casualty to Open New Office May 8

Citizens Casualty of New York will officially open its new building at 33 Maiden Lane with a cocktail party for officers, guests and the press May 8. Jack Hyman, president, will be host at the affair.



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1956 Argus Chart Shows Fire Premium Increases

(CONTINUED FROM PAGE 2)

ratio of 92.6 and a gain from underwriting of \$87,151,500.

Corresponding totals for 327 mutual companies show assets increased some \$83 million to \$1,182,715,507, producing a policyholders' surplus of \$560,998,618 compared with \$505,187,914 at the end of 1954. Net premiums written are \$568,359,110 and premiums earned total \$542,017,542. Separate totals are also shown for 42 reciprocals and Lloyds organizations, 59 United States branches of foreign companies, and 34 companies doing an exclusively reinsurance business.

In a separate tabulation the premiums earned and losses incurred of 514 stock companies are classified according to fire accessory lines. These results indicate total fire only premiums of \$1,315,897,000 with losses incurred of \$581,012,000 for a loss ratio of 44.2. Automobile physical damage totalled \$1,114,273,000 with a 47.0 loss ratio. Extended coverage, which had a loss ratio of 84.0 a year ago produced \$412,946,000 in earned premiums and a loss ratio of 56.9, which is still above normal but much improved. A change in the annual statement combined the business of sprinkler leakage, riot and civil commotion and explosion under an item of "other allied lines" which produced total premiums earned of \$19,943,000 with a loss ratio of 26.8. The crop-hail business of these 514 companies totalled \$48,628,000 with a loss ratio of 59.8. The loss ratios on ocean marine and inland marine increased materially in 1955. Ocean marine premiums increased from \$152,701,000 to \$154,146,000 and the loss ratio increased from 48.8 to 54.1. Inland marine premiums increased some \$10 million to \$281,134,000 with the loss ratio going from 48.7 to 53.4.

A new tabulation has been made of the homeowners business done by these companies, showing premiums

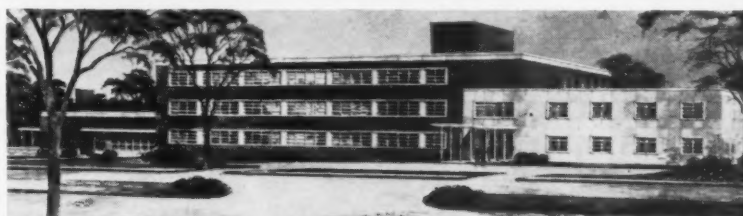
earned of \$2,902,000, losses incurred of \$1,255,000 with a loss ratio of 43.2. This business includes all classifications reported under this name in the annual statements by the 514 stock companies of which 111 reported some business.

In addition to this complete set of totals of all kinds, the *Argus Fire Chart* presents complete statistics on individual companies in its main exhibits and in numerous special tables. These tables show the territories in which the companies operate, the underwriting and investment results both for individual companies and as groups where there are group affiliations, and the classification of premiums and losses by lines written both for companies and groups. Multiple line underwriting results are indicated by direct reference to its companion, the *Argus Casualty & Surety Chart*, issued annually shortly after the fire volume. The 1956 *Argus Fire Chart* is available now, at \$2.50 per copy (less for quantity orders) through the reference book department of the National Underwriter Co., at 420 East Fourth street, Cincinnati, or any of its branch offices.

Fifty U. of Wis. Insurance Students Take Field Trip to Chicago

Fifty insurance students at the University of Wisconsin, members of the Insurance Society there, are being given a first hand look at fire insurance procedures during a field trip to Chicago this week. Western Underwriters Assn. is in charge of arrangements. After a luncheon Thursday the students will meet in the WUA headquarters for a series of talks. Friday the group will visit Underwriters Laboratories in the morning, and in the afternoon will hear three explanatory talks on insurance methods.

The Melrose, Mass. local agency of Robert R. Wilson has added to its staff W. Fred Thomas, who recently resigned as special agent of Lowell Mutual Fire.



American Fidelity & Casualty and its service organization, Markel Service, have opened this new home office (above) on Broad street in Henrico county, Va., just across the Richmond city line. The modern, 3-story structure has two wings and houses about 175 employees of the two companies. Numerous civic, business and state officials attended open house ceremonies along with trunk and bus company executives from many parts of U.S. and Canada.

Eureka-Security, Monarch to Seek Merger in July

Directors of Eureka-Security F.&M. and Monarch, both of Pearl group, are expected to recommend to stockholders the merger of the two companies early in July into Monarch Ins. Co. of Ohio.

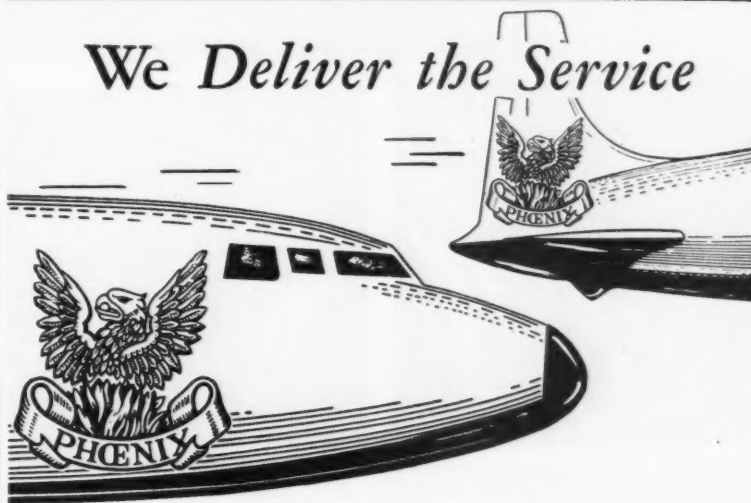
Using year end 1955 figures, the merged company would have assets of

about \$24 million and a policyholders' surplus of about \$9.5 million. Present agency representation would be continued for both companies under the new name.

Gilbert Tours AIU Europe Offices

A. E. Gilbert, executive vice-president of American International Underwriters, has started a six-week inspection tour of AIU offices in western Europe. He recently completed a month-long tour of the Caribbean area.

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Attending Uniform Printing reception during WUA meeting in Chicago: Mrs. H. E. Henderson; George V. Whitford, vice-president of Fire Association, and H. E. Henderson Jr., western loss manager of Great American.



At the Uniform Printing reception for WUA in Chicago: H. A. Clark, vice-president and western manager of Loyalty group; Mrs. John T. Clark; Mrs. H. A. Clark, and John T. Clark, assistant secretary in the western department of Loyalty group.

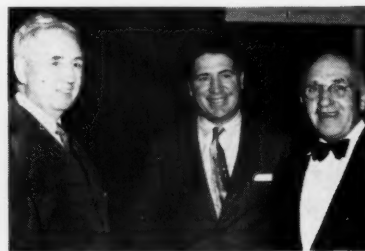
At the Western Underwriters Assn. meeting last week in Chicago: Lewis E. Grigsby, assistant western manager of Hartford Fire; Walter G. Dithmer, assistant manager of WUA, and W. H. Moloney, western marine superintendent of Hartford.



Frank J. Swallow, assistant branch secretary of Royal Exchange at New York, and J. M. O'Connor, assistant branch manager at Chicago, at Western Underwriters Assn. meeting at Chicago.



J. W. Sargent, vice-president of Manhattan F.&M., and James I. Perkins, secretary in the western department of Loyalty group, at the WUA meeting last week in Chicago.



Leonard Peterson of Home, president of Western Underwriters Assn., at the Uniform Printing reception for WUA members with James Kelso of Bosqui-Uniform of San Francisco and Norman Wightman of Uniform Printing & Supply.



C. W. Hall, president of Northwestern F.&M., with Kenneth S. Ogilvie, assistant manager of Western Underwriters Assn., at the WUA meeting last week in Chicago.



On hand for the Uniform Printing reception during the WUA meeting last week in Chicago.

Top—E. A. Henne, vice-president and western manager of America Fore group; Mrs. Henne; Mrs. Hobbs, and Russell D. Hobbs, retired general manager of Western Actuarial Bureau.

Bottom—W. A. Seely, western vice-president of Crum & Forster; Mrs. C. W. Ohlsen, whose husband is western manager of Sun; Rush W. Carter, vice-president and western manager of Aetna Fire, and Marian Onken, Mr. & Mrs. Ohlsen's daughter.



C. L. Zook, western manager of National Fire, with Mrs. Zook, and Mrs. and Mrs. D. P. Skaer at Western Underwriters Assn. meeting in Chicago. Mr. Skaer is assistant manager of Cook County Inspection Bureau.

E. E. Humphrey, assistant western manager of National Fire; Mrs. Harvey Snediker, whose husband is assistant manager of Western Actuarial Bureau; Mrs. Humphrey, and F. A. Miller, regional manager of Royal-Liverpool group.



New Face for Standard Fire Policy Announced

(CONTINUED FROM PAGE 15)
ent form. This means a 50% increase in the output of fire policy issue in agency and company offices.

In the discussion groups which constituted the principal activity of the WUA meeting, the members taking up agency balances observed that there is a general worsening condition in delinquent balances. There was some discussion of the possibility of revising the flat cancellation rule.

Dwelling business, the group taking up this subject agreed, is hardly to be considered a preferred class now that lower rates and storm losses have made profits more difficult to attain. The idea of introducing an optional or mandatory co-insurance clause for dwellings was discussed at length.

Following the conference on losses, it was considered likely that many WUA companies will avail themselves of bordereau billing of adjustment expense of Western Adjustment and Underwriters Adjusting.

Atom Cover Hearings to Begin May 14

The joint atomic energy committee of Congress will open hearings May 14 on the insurance problem facing private builders of nuclear power reactors.

Sen. Anderson of New Mexico, chairman of the committee, has outlined a basic legislative proposal on government indemnity to supplement private insurance coverage of extraordinary hazards. In addition to government indemnity above an amount of private insurance at reasonable rates, Sen. Anderson's proposal calls for a \$500 million limit of indemnity on any one disaster, with damages over this amount to be handled by special legislation. The government would make a minimum charge per year per reactor with proceeds going to the Atomic Energy Commission's safety research fund. Liability of reactor builders and operators would be limited to their private cover with moderate sums under the indemnity program.

The Senator said his proposal would incorporate the best features of two bills already introduced in the House.

Ohio Mutual Agents Elect Miller President

Ray A. Miller of Zanesville was elected president of Ohio Assn. of Mutual Insurance Agents at the annual convention last week in Toledo. He succeeds Gilbert W. Harsh of Minerva.

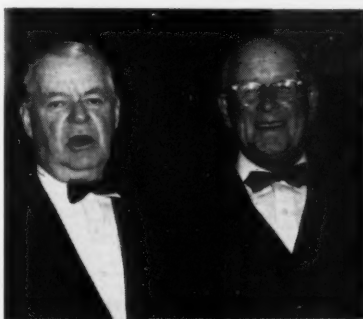
Marvin L. Pearce of Fremont was named vice-president and R. W. Wendelken of Columbus was renamed executive secretary. New directors are T. R. Mote of Piqua and Anton Dorfmueller of Youngstown.

Some 225 agents attended the two-day meeting, which included talks by John A. Hill, president of J. A. Hill & Associates, general agents for Aetna Life in northwestern Ohio; Paul R. Gingham, executive vice-president of State Automobile Mutual, and A. Lynn Minzey, vice-president of Auto-Owners.

Greetings from National Assn. of Mutual Insurance Agents were extended by President Earl A. Lamb.

Discussion leaders at a series of workshop meetings were: Everett Raabe, assistant secretary of Central Mutual of Van Wert, on commercial block; Harry Holmes of Northwestern

Mrs. Walter G. Dithmer whose husband is assistant manager of WUA; Frank L. Ludington, western manager of Atlas, and K. C. White, president of Underwriters Adjusting, at the Uniform Printing reception during the WUA meeting at Chicago.



Top: Walter B. Riley of Uniform Printing & Supply, whose company was host to a reception for Western Underwriters Assn. last week at Chicago, with C. W. Ohlsen, western manager of Sun.

Bottom: Robert R. Hayes, new western manager of Crum & Forster, and Roe M. Wilcox, assistant western manager.



R. E. Minner, vice-president and secretary of Home, with Mrs. James I. Perkins, whose husband is secretary in the western department of Loyalty group, and Arch Blickenstaff, secretary of Loyalty group.

Mutual on homeowners; D. L. Wegner of the Rough Notes Co. on office management, and Jack Lord of the Howard Swink advertising agency on agency advertising.

The Detroit office of Allstate has been named 1955 winner of the company's president's award, given to the regional office with the best all-around performance for the year.



Herman P. Winter, vice-president in the western department of America Fore, with Walter L. Sundstrom, western manager of Factory Association, at Western Underwriters Assn. meeting in Chicago.



R. B. Shepard Jr., vice-president of St. Paul F. & M., and D. M. Fleming, Chicago manager of St. Paul, at the WUA meeting last week in Chicago.

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Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

OHIO OPPORTUNITY

Our continuing growth in the Ohio field requires the addition of two men between 28 and 38 who have predominately fire insurance backgrounds for field work in northern and central Ohio operating out of our Columbus Office. A successful record of field production in Ohio would be helpful although this is not absolutely essential. This is a career opportunity. We are a 114 year old Marine & Fire Company group and are looking for better than average men intending to pay better than average salaries. Write giving full experience details, and information concerning family and military standing to Box L-93, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY SPECIAL AGENT MICHIGAN

Attractive position for experienced Casualty Special Agent. Headquarter in Detroit and travel outstate territory. Age 25-45. Multiple line experience helpful, but not necessary. Car furnished and above average employee benefits. Salary commensurate with ability and experience. Submit résumé in complete confidence to: MR. GEORGE T. WARD, DIR. OF PERSONNEL, c/o AETNA INSURANCE GROUP 300 So. Northwest Highway Park Ridge, Ill.

MR. ACTUARY

We are in need of an actuary who has passed two or more examinations of the Actuarial Society and has had Life, Accident and Health actuarial experience. Well established aggressive Illinois Company—75% of our business being Accident and Health and Hospital Insurance, making A. & H. experience most essential. You will participate in Management problems on all levels. Possibility of advancement excellent. Salary open. Give complete data of your experience. All replies will be held strictly confidential. Address Box M-32, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIMS SUPERVISOR—PERSONAL INJURY ASSISTANT CLAIMS SUPERVISOR PERSONAL INJURY ADJUSTERS CLAIMS EXAMINER (Home Office)

We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself; interviews will be arranged on the basis of information contained in your first letter.

LINCOLN CASUALTY CO.

500 E. Capitol Avenue Springfield, Illinois

ACCIDENT AND HEALTH SUPERINTENDENT

One of Nation's leading Multiple Line Insurance groups desires experienced Accident and Health man to organize Accident and Health Department for Southwestern Departmental operation out of Dallas. Top Accident and Health (Individual and group) facilities and large Multiple Line operation in Southwestern states. Submit resume of background and experience. All replies held confidential and will be answered. Our employees know of this ad. Address Box M-30, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE RATING ENGINEER

WANTED—BY LARGE LOCAL AGENCY — EXPERIENCE REQUIRED — SALARY COMMENSURATE WITH EXPERIENCE. Box M-25, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED I. B. M. SUPERVISOR

We need an experienced man to take charge of our Tabulating department. Excellent opportunity. Write Box M-34, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE MISSOURI AGENCY

A well established agency in a fast growing industrial city. Premium income \$250,000—low overhead—92% direct business, excellent potential. \$20,000 down, payment of balance over 5 years. For particulars write Box M-28, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT CASUALTY — SURETY

We have a position for a mature gentleman, age to 45, in our Agency Department. A sound background in Casualty and Surety field agency functions is the prime requisite; with experience in South Cook County preferred. Good starting salary—permanent. See or call Mr. White—WAbash 2-6420, Ext. 349.

U. S. Fidelity & Guaranty Company 170 W. Jackson Blvd. Chicago, Illinois

SPECIAL AGENTS

Excellent opportunity for young men with production experience to develop our program of expanding multiple line operations southeastern states. Give age, marital status, education, experience, minimum salary required, and why interested in change. Replies confidential. Write to Ernest S. Winter, Vice President—Merchants Fire Assurance Corp. of N.Y. Merchants Indemnity Corp. of N.Y. 225 Broadway, New York 7, New York

WANTED

Man with Fire and Casualty experience to assist with management and production of established General Insurance Agency located in Springfield, Ohio. Salary and bonus. Opportunity to buy stock after proven ability. Address Box M-29, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT DETROIT AREA

Wanted by fire and allied lines Mutual. Good opportunity for junior underwriter or inspector with at least two years experience. Pension plan and other employee benefits. Address Box M-38, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PALM BEACH, FLORIDA

Office Manager—Small General Agency Desire man 50-55 years of age. Excellent opportunity for semi-retired person. Starting salary \$3600 per year. Plenty of time allowed to arrange personal affairs. If interested write James K. Siebrecht P.O. Box 309, Palm Beach, Florida.

CASUALTY ENGINEER

Experienced in all coverages including industrial fleet safety programs. Michigan location requiring elevator license. Excellent salary, all benefits. Company car.

FIREMAN'S FUND INSURANCE CO. Personnel Dept. WAbash 2-4500 Room A-744 175 W. Jackson Blvd. Chicago 4, Ill.

OK Combination of Dwelling Forms in N.E.

BOSTON—New England Fire Insurance Rating Assn. has lifted its ban on covering a dwelling risk with both the dwelling buildings special and the dwelling building and contents broad forms. Producers, individually and in groups, had asked for the change, since a combination of the forms provides an attractive "package" for the insured who will not buy either homeowners or the comprehensive dwelling policy. With the rules relaxed, New England insurance men may provide all risks cover on the dwelling and outbuilding and broad named perils protection on personal property.

Mid-States of Chicago has moved its home office to 1301 Central street, Evanston, a Chicago suburb.

AGENCY SUPERVISOR AVAILABLE

Experienced in opening up new states, appointing Managing General Agents and supervising Special Agents in all territories for casualty & fire. Will relocate. Reply to Box M-26, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

JUNIOR FIRE UNDERWRITER

Attractive opportunity for advancement is open to a young man with fire or inland marine underwriting experience as a junior underwriter in a rapidly growing department of an old established Mutual company, now writing multiple lines. Married man preferred. The Shelby Mutual Insurance Company Shelby, Ohio

INSURANCE SOLICITOR

Desiring immediate annual income of \$7,500 to \$10,000; proven expirations and new business leads provided for all classes general insurance. Please write giving age, experience and furnish photograph to The Indiana Agency, 6334 Guilford Avenue, Indianapolis 20, Indiana.

CASUALTY ADJUSTER

Excellent opportunity for a man with 2-10 years experience. Opening in our Indianapolis and South Bend offices as well as other locations. New department, top salary, company car furnished, non contributory pension plan and Group Insurance benefits. Write: Western Adjustment & Inspection Co. Box 1113 Chicago 90, Illinois Attention: Mr. Johnson

FOR SALE

Old established agency in Western Penna. Population approximately 100,000. Premiums \$50,000 plus. Good opportunity for ambitious special agent to go into business. Complete furnishings. Write Box M-31, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED

Special Agent, five years multiple line experience. I am thirty years old, married and have two children. Prefer to remain in Arizona or the Southwest, but will consider other location. Please write Box M-36 c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

WISCONSIN FIELDMAN WANTED

Expanding mutual company needs Special Agent for established southern Wisconsin territory. Presently writing fire, allied lines, inland marine and planning expansion in casualty lines. Excellent opportunity to grow with a growing company. Address replies to: West Bend Mutual Fire Insurance Company, West Bend, Wisconsin.

FLORIDA OPPORTUNITY

Opening for SPECIAL AGENT, preferably with multiple line experience, in Southeast. State age and general qualifications first letter. George C. Hays, State Agent American Indemnity Co. Broderick Building Lakeland, Florida

WANTED

PLATE GLASS UNDERWRITER

To take charge of entire Glass Department Chicago branch office. Male or female. Excellent opportunity. In reply give experience and full particulars. Replies confidential. Address Box M-35, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

RFSO Elects New Governing Group

At its annual meeting in New York, Reporting Form Service Office elected to the governing committee Aetna Casualty, Aetna Fire, America Fore, American, Commercial Union, Fireman's Fund, Great American, Hartford Fire, Home, Loyalty, Royal-Liverpool and Sun.

H. W. Miller, U. S. manager of Commercial Union, chairman of the governing committee, and other officers were reelected.

Making the facilities of this organization available to its companies for the handling of mercantile block business was a natural sequence of a basic provision of that plan calling for promulgation of rates by the fire rating bureaus, Mr. Miller said in his report. In many respects the procedures for rating and auditing incorporated in that plan were borrowed from the multiple location rating plan so that assistance to companies and to rating bureaus by this organization should prove valuable.

In this connection, RFSO committees now are reviewing the mercantile block plan to determine first, whether changes in the multiple location rating plan or form A rules are indicated and, second, whether improvements can be found for its reporting endorsement, he said.

The consolidation of National Insurance Service Organization and Multiple Location Service Office into RFSO improved service to companies and a material saving in expense was effected, he said.

Manager T. D. McCarl reported that RFSO's rating plan has been approved for use in all states except Texas.

Standard Accident, Planet Hold Regional Meetings for Branch Office Personnel

Standard Accident and Planet are holding a series of regional conferences for personnel in the branch offices. The meetings began in April and are continuing through May, June and July.

At each conference there are discussions on production, field coordination and claim operations, with home office executives participating. Special meetings of branch managers in two key areas will be held in conjunction with the conference.

The first meeting was at New York April 30, and in May there will be meetings in New York, Chicago, Cincinnati and Detroit. During June meetings will be held at Philadelphia, Boston, New Jersey, Washington, Dallas and St. Louis. The last meeting will be in Chicago July 3.

Regal Mutual Buys Charter of Plain Dealers Mutual

Regal Mutual of Chicago, through the purchase and amendment of the 1917 charter of Plain Dealers Mutual Casualty of Chicago, has been authorized to write full coverage automobile lines in Illinois. The company will operate through agents only.

New officers of Regal Mutual are: Norman R. Grile, president; Charles F. Hamburg Jr., vice-president; Leo Nemirovski, secretary. George Mashbitz, treasurer; Robert Grisham, comptroller; Roy H. Schaller, vice-president claims, and Charles Waters, vice-president sales.

Insurance Women of Sioux City (Ia.) elected the following officers: Mrs. Mabel Ellis, president; Mrs. Adah Lothrop, 1st vice-president; Mrs. Marjorie Carroll, 2nd vice-president; Mrs. Bess Fredericksen, treasurer, and Miss Maurine Larsen and Mrs. Iva Hubbard, secretaries.

Martin Warns A&S Code Doesn't Eliminate FTC

(CONTINUED FROM PAGE 2)

vision cannot hope to shuck state control. Hence they should bend their efforts to help make state regulation adequate and reasonable. He noted for instance that the railroads and utilities are responsible to two sets of regulatory officials. Also, that railroads are subject to a 10% transportation tax levied on passengers and there is a federal telephone tax.

One way in which the states might lose exclusive jurisdiction is through liquidation of insurance companies in federal courts. He referred to the decision of U.S. district court for Utah by which it undertook to set up a federal receivership for an Idaho insurance company despite the fact that Idaho has laws regulating such companies. If, he said, this court may validly as-

insolvent the Idaho commissioner instituted proceedings for its liquidation under the Idaho laws. While such proceedings were pending, a creditor bought a suit in the Utah federal court for appointment of a federal receiver. This was done and that receiver demanded surrender of the deposits held by the various states, some of which were fixed by law. In Louisiana this demand was refused. However many states gave up their deposits. "If the enactment of Public Law 15 and the Constitution of the U.S. can be so successfully avoided, evaded or ignored, the battle for exclusive regulation and taxation of insurance by the states is only beginning," he said.

However he expressed the belief that the cause has not been lost nor will it be lost by "ultra vires orders issued by federal courts." The federal court is not authorized to direct a state to surrender a deposit which it has exacted, in the exercise of its police power, as a condition of a foreign insurer doing business therein.

This would violate PL 15 and Article III, Section 2 of the U.S. Constitution and the Tenth Amendment. The U.S. Supreme Court, he said, has often held that the process of a federal court may not be invoked against the state under the guise of a proceeding against a state official who is simply performing his statutory duty in the exercise of the state's sovereign power.

"If the federal courts can move into the field of insurance through the back door of receivership, it will surely not be long before they will be coming through the front door of judicial regulation of insurance at the federal level," he said.

Mr. Martin took cognizance of complaints that there has been a tendency for regulators to invade the field of insurance company management and that they have been guilty of over-regulation in certain respects. He said that over-regulation can be just as menacing to continued exclusive regulation and taxation by the states as inadequate regulation.

Finally, Mr. Martin contended that lack of reasonably experienced insurance commissioners over long periods of time could be a threat to state regulation. The average term of the commissioner should be lengthened. Of the states that do not elect commissioners the average tenure has been 3½ years over the past 12 year stretch. To bring the effect home, he asked his audience to imagine the state of affairs in an insurance company that rolled its president over every 3½ years, with the new man being a novice. Industry and the states should work together to provide more continuity.

The compensation of the commissioner is so meager that the problem of regulation is made more difficult.

Los Angeles—Following announcement by FTC of the issuance of rules to regulate A&S advertising, it was indicated California companies will not be required to sign such a code because the California legislature has enacted statutes strictly regulating and providing punishment for false or deceptive advertising.

In an informal discussion with the California department it was indicated Commissioner McConnell is considering a bulletin to California domiciled companies, or affected parties, stating they are not required to sign the proposed FTC code.

Such a bulletin would call attention to California statutes and emphasize that the department will continue its long-established practice of taking disciplinary action against any licensee using false or misleading advertising through any media.

Mr. McConnell has been quoted as stating that in one proceeding brought by FTC against a California company, FTC attorneys admitted the commission has no jurisdiction in California. This confirms the generally held opinion that California statutes fully and adequately regulate insurance advertising.

sume such jurisdiction "the battles we have fought for state regulation not only will take on the character of minor skirmishes, but will seem like peace meetings compared to the battles which we will have to fight if state regulation and taxation is to survive."

Mr. Martin insisted that the Utah court's assumption of power is clearly barred by the provision of PL 15 "no act of Congress shall be construed to invalidate, impair or supersede any law enacted by any state for the purpose of regulating the business of insurance."

The insurer involved, he recalled, was an Idaho company operating in about half the states. When it became

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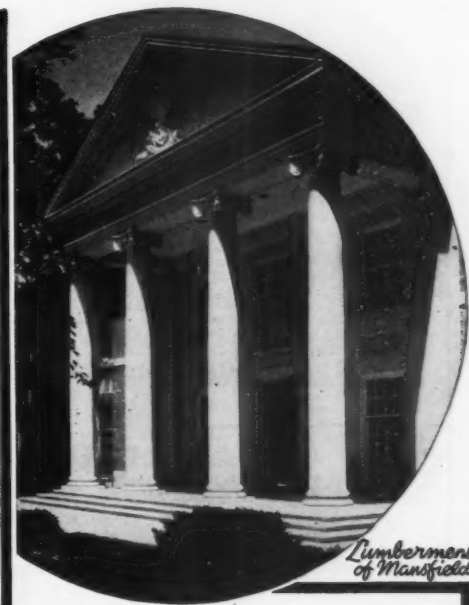
Philadelphia 1, Pa.
Rittenhouse 6-7900

"Good Will"

is a desire on the part of a person or persons to return to the people and their places of business where they have been well treated . . . it has a value"—so decided the Supreme Court many years ago.

The people at Lumbermens, many years ago, had a desire to establish an insurance relationship between policyholders, agents, and company through which each would be adequately protected and all could profit by the transaction.

Thus developed the Good Will now recognized as outstanding in our fields of coverage.



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THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA

PUBLIC LEDGER BLDG., PHILADELPHIA 6, PA.

Agents Ask National UM Endorsement

(CONTINUED FROM PAGE 1)

either attending the regional conference, or doing nothing on the directors' agendas. This was also a matter of considerable discussion last year at Wichita.

Directors voted to alter the conduct of their midyear meeting to hold continuous sessions until the agenda has been completed. This will mean, apparently, simultaneous sessions of directors and the regional conference in the future.

Directors expressed emphatic disapproval of the concept of free insurance and specifically condemned the offering of free accident cover by two automobile manufacturers. C. Gilbert Waldo of Michigan said that an NAIA member had sold the Studebaker-Packard plan. It was also brought out that that plan now has been withdrawn and that American Motorists is continuing its plan only until the present advertising commitments are completed.

H. Earl Munz of Paterson, N.J., urged that Factory Insurance Assn. open up its facilities more widely in order to meet the competition of factory mutuals. Everett North of Billings, Mont., discussed government owned or controlled insurers. The suggestion by W. F. Grandy of Sioux City, Ia., that NAIA retain a field representative to travel over the country and visit state associations was voted down by the directors.

The directors in a resolution adopted a memorial to the late Hunter Brown of Pensacola, Fla., who was president of NAIA in 1945-1946. Paul H. Jones

of Arizona was chairman of the resolutions committee.

Territorial conference chairman reported—Warren A. Bodwell of New Hampshire for the eastern, Harry W. Poulson of Idaho for the far west, Leroy D. Engberg of Minnesota for the midwest, Jerry Haggard of New Mexico for Rocky Mountain, and Hayne P. Glover of South Carolina for the southern.

Morton V. White of Allentown, member of the executive committee, gave a comprehensive report on improper classification of automobile collision risks by financed automobile insurers, state by state. His investigation revealed that in Alabama the insurance department is conducting a full investigation and will insist upon full refund of overcharges. In Arkansas the department found overcharges as much as 30% on collision premiums, and the commissioner has indicated his intention to recommend to the 1957 legislature that insurance writing be divorced from auto finance and sales businesses in that state.

In Colorado the department disclosed that one major offender voluntarily had gone back to May, 1954, to clear its records and issue refunds. In Connecticut the department found 14 companies involved in overcharges of more than \$500,000. The practice had extended to several banks in this state, and some dealers were found selling insurance without a license through arrangements for countersignature by agents paying a commission. The department has ordered refunds. Con-

necticut Assn. of Insurance Agents drew up an advertising campaign giving case histories of irregularities and stressing "misrepresentation, coercion and overcharging." Two such advertisements already had been issued, Mr. White reported. The first met with violent reaction from automobile dealers.

In Florida the commissioner ordered refunds after a check of records. Companies also were ordered to establish internal controls to prevent repetition of overcharging. In Louisiana the department instructed companies found misclassifying to make immediate correction and restitution. In Maine a plan of action against violations was being formulated by the department when Mr. White heard from it. The Massachusetts department has acted to compel return of overcharges.

The New Jersey department has sent letters of inquiry to all licensed insurers to learn the extent of abuses there. The New Mexico superintendent has directed finance companies to check records and return excess premiums. In Pennsylvania the state association is planning to pursue the matter with advertising. The commissioner has evidenced more than casual interest in the problem. In North Carolina the department is prepared to demand return of overcharges. The Texas department is prepared to act. Vermont has asked a re-audit. The West Virginia commissioner has offered agents his services to deal with the problem. In Oklahoma the finance companies have voluntarily offered to put their houses in order. Kansas instructed all insurers to review policies with class 2 rates. Companies making overcharges were ordered to make immediate refunds.

In connection with the report by Walter M. Sheldon of Chicago, past president of NAIA, as national councillor to the U.S. Chamber of Commerce, it was brought out that the problem of free insurance by motor car manufacturers was taken up with the idea of getting the chamber to act. Mr. Sheldon said he had checked out the matter with A. L. Kirkpatrick, manager of the insurance department, and that it is purely a sales gimmick. The chamber cannot interest itself in the subject. It is entirely up to state insurance departments.

He said that the candidate for a director to represent the insurance department on the chamber's board is Edward B. Collett of Fort Worth, president of Assn. of Mill & Elevator Mutual Insurance Companies of Chicago and a partner in the agency of Glen Walker, Collett & Rigg, and Mutual Insurance Agency of Texas, the latter two of Fort Worth. He will succeed Clinton Allen, president of Aetna Fire group.

Howard N. Fullington of Wichita, chairman of the casualty committee, made a brief report. He pointed out that the committee was headed for New York to confer with National Bureau personnel on various suggestions of agents for changes in coverage.

C. S. McNew Jr. of Pine Bluff, Ark., gave the report of the finance committee. He reported that membership at a new high peak and that the association is in good shape financially.

B. Franklin Knapp, Fresno, Cal., earned the gratitude of those attending the directors' meeting by passing out samples of California raisins. Even the Florida delegation munched with pleasure.

The Des Moines office of Freeport has been moved to 2817 Ingersoll avenue.

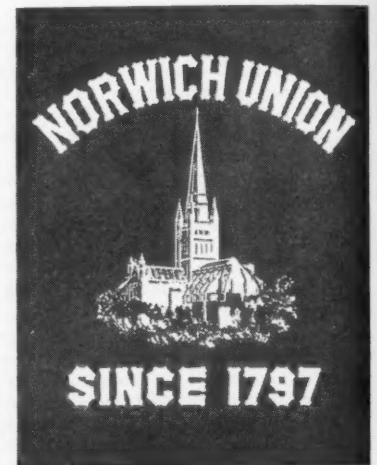
President's Safety Conference May 14-16

Representatives of industry, business and government agencies will meet in Washington, D. C., May 14-16 for the President's conference on occupational safety.

Objectives of the conference will be to establish a safety program in every business or industry, promote greater labor-management cooperation for safety, establish greater uniformity in state safety codes and promotion of better public understanding of and support for accident prevention.

Insurance men on the planning and steering committees of the conference are H. W. Heinrich of Travelers and S. Bruce Black, president of Liberty Mutual.

Harold S. Fry has purchased the M. L. Killian agency of Canton, O., and has changed the name to the Fry agency. Robert C. Bonney, who formerly was casualty superintendent for Continental Casualty at Columbus, is with the agency as vice-president and manager of the fire and casualty department. Mr. Fry was with the Killian agency for many years before purchasing Mr. Killian's interest.



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810 BAKER BLDG., MINNEAPOLIS 2, MINN.

Most Insurers Agree to FTC Rules

(CONTINUED FROM PAGE 1)

or privileges ordinarily associated with group insurance.

Robert J. Bird, Washington attorney, read a letter for Orville F. Grahame, vice-president and general counsel of Massachusetts Protective, which was devoted to a discussion of non-cancellable policies, in relation to the rules. The company had hoped, in the public interest, that the FTC rules and the code promulgated by NAIC by note or otherwise, would include a description of what could be advertised as non-cancellable and guaranteed renewable A&S.

"We do not consider that we are dealing merely with definitions, but rather with basic concepts," Mr. Grahame wrote. "It is my understanding that the provision in the uniform policy provisions referring to the right to continue a policy in force 'by the timely payment of premium' clearly means a guaranteed premium," he stated.

The letter stated it will be difficult for companies to operate "under these rules if there is any misunderstanding as to the basic concept of non-cancelable disability." It also expressed the wish that FTC and NAIC had used "exactly the same language," in the rules. It complimented the drafters of the proposed FTC rules for following as closely as they did the NAIC rules.

D. S. McNaughton, associate counsel of Prudential, disagreed with Mr. Grahame. He agreed with FTC's rule 4 on disclosure of policy provisions relating to renewability, cancellability, or termination and said "this is not the proper forum where this subject should be raised."

Roy Anderson of New York Life supported Mr. McNaughton, as did Haughton Bell of Mutual of New York. Price Topping of Guardian Life said he would oppose making the rule more stringent.

Commissioner Pansing of Nebraska, chairman of the NAIC committee

which formulated the NAIC code, said he found "no substantive matter" to object to in the FTC rules. He joined HIAA in expressing hope that the rules would be administered fairly.

Eugene Thore, general counsel of Life Insurance Assn. of America, said a number of companies have indicated "there would be difficulty in complying with the rules." He expressed the hope, however, the FTC and its staff will be reasonable in interpreting the rules. If that is done, he said, he believes the rules will be workable.

C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents, stated that the rules should be made to apply to agents and brokers to the extent that they are responsible for advertising.

Moses G. Hubbard of Commercial Travelers of Utica and counsel of International Federation of Commercial Travelers Insurance Organizations, protested definitions contained in the rules. He said if they were to apply to form letters, billboards and some other forms of advertising, they would not work. The code should be uniform, he said, and should be made uniform before it is adopted rather than attempting to make it uniform by amendment after adoption. The code should be in simple language which an ordinary man can understand, he said.

To determine whether a statement is deceptive, it should be read in connection with the policy concerned. He declared that rules 7, 9, 11, 12, 13 and 14 are unnecessary because they are covered by rule 1. He urged an addition to the rules to state that compliance with the code shall be construed as compliance with the FTC act as it related to advertising and practices.

At adjournment, Mr. Mason said that the material presented at the conference will be taken under consideration by the FTC.

THE LOCAL AGENT:

"The Man with the Helping Hand when it's needed . . . on duty 24 hours a day!"



"The Man with the Helping Hand" needs a Company with a Helping Hand

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AND Industrial INSURANCE COMPANIES

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Waukegan, Ill.—110 N. Genesee St.

MAJestic 3-4540

Joliet, Ill.—Morris Bldg.

Joliet 6-2613

Ottawa, Ill.—Central Life Building

Ottawa 1474

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Stress Need for Higher Rates on Young Driver

(CONTINUED FROM PAGE 1)

training of underwriters, Mr. Holderman observing that obtaining college graduates is discouraging because of competition from other businesses which offer the higher starting salaries.

J. K. McLean, State Farm Mutual Auto, said the first aim should be to get high type personnel. State Farm tries to get college graduates, and has a minimum requirement of two years in college. The new man is given a series of tests to determine his strong points and is assigned to work closely with an experienced underwriter. He takes a course from the company and is encouraged to take Institute of America and CPCU training in addition.

High praise was accorded the so-called Wisconsin youthful driver supplement during a workshop session on the automobile assigned risk plan. Under this plan an insurer gets credit for each youthful driver risk it assumes voluntarily and this counts in lieu of an assignment.

D. A. Tapley of State Farm Mutual Automobile said the Wisconsin plan removes the marginal risk from operation of the assigned risk plan.

D. E. Johnson, director of underwriting of Nationwide Mutual, said this avoids stigmatizing the youthful driver. This year the first crop of war babies moves into the 16 year age bracket and gets behind the wheel. They may grow up with strong feelings about insurance if they are offended by their experience. The Wisconsin plan is a good public relations system. By reason of the operation of the supplement, the Wisconsin plan has saved the necessity of adding perhaps 10 persons to the staff.

Edgar E. Hibbard of American Universal said a similar plan exists in Massachusetts.

There was discussion of whether independent companies should be permitted to charge bureau rates on risks they write by assignment. Mr. Tapley said some states require bureau rates to be written on such risks. He voiced the belief that the higher expense ratio on such risks and the higher expense factor removes these people from the usual classification definitions. They are a horizontal rating class cutting across all others.

A. E. Kraus, vice-president of Government Employees and moderator, mentioned that there is a proposal before the national advisory committee to make a driver ineligible for insurance if he has a record of six operating losses.

F. A. Holderman of Zurich said he has long favored the pool principle for assigned risks. There should be a common fund, so that the element of luck should be removed from the loss results. Mr. Holderman also commented on the question of whether assignment should be based on number of risks written or on the basis of premiums. He said the premiums written basis is fairer or a unit system on a modified basis (for instance giving extra credit for such things as public vehicles).

There was discussion of the embarrassing duty placed on the insurance business of making it difficult for the habitual offender to drive.

E. J. O'Brien of the Kemper organization said this should fall directly on the public authorities. Insurance should depend on eligibility of the driver, not vice-versa.

D. E. Johnson said the state requires

people to be financially responsible to drive. It is equally important that they require them to be "socially" responsible.

National Women's Assn. Sets Program for Chicago

(CONTINUED FROM PAGE 2)

comprised of about 230 local clubs throughout the U.S., Canada and Hawaii, is Mrs. Lucille T. Blakesley, Factory Insurance Assn., assisted by Mrs. Lorna S. Penny, assistant secretary of Western Surety, both of Chicago.

A reception is slated for Tuesday evening. Wednesday's program, in addition to business sessions, will feature presentations by Lillian E. Schlagenhauf, Illinois state senator, and Mrs. Florence Bourke Ellis of Chicago, nationally prominent in the field of drama. That evening there will be a three-hour sight-seeing tour through the courtesy of region V members.

Workshop sessions will highlight the Thursday program. Topics to be considered, and the discussion leaders are: Education, Mrs. Frances Runk, Loyalty group, Houston, 2nd vice-president of NAIW; parliamentary procedure, Mrs. Guy M. Pelton, registered parliamentarian from Evanston, Ill.; sharing club activities Miss Mary Ellen Pixley, Indianapolis. There also will be an instruction session for directors and regional chairman, conducted by Mrs. Betty Hirst, Columbia, S. C., 1st vice-president of NAIW, and Miss Kay M. Lavin, Crane agency, St. Louis, a past president of NAIW.

The men of the insurance industry will be honored at a luncheon. The speaker is E. Carl Sorby, president of George B. Roper Co., Rockford, Ill., stove manufacturer.

Committee reports, election of officers and other business make up the Friday program, climaxed by a banquet at which an address will be made by Miss Patricia Stevens, president of a Chicago agency for models. A special feature will be recognition of Mrs. Elsie B. Mayer, the founding president of NAIW. Mrs. Mayer has her own agency at Denver.

Another Mont. Candidate

O. M. Woolverton of Helena has filed for nomination on the Democratic ticket for Montana state auditor and insurance commissioner. For eight years Mr. Woolverton has been chief clerk of the state fish and game department and earlier he was with the Associated Press at Helena.

In the Democratic primary he will compete with the incumbent, John J. Holmes, who has had the office since 1933. Alex Cunningham, an agent at Helena, has filed for the nomination on the Republican ticket.

Pieck Named V-P of American Hardware Mutual

G. S. Pieck, loss manager of American Hardware Mutual, has been elected a vice-president of the company. His election was not included in a story of the company's annual board meeting which appeared in last week's issue.

Ohio Federation to Meet May 22

Insurance Federation of Ohio will hold its annual meeting and luncheon, May 22, at the Deshler-Hilton hotel, Columbus.

Newell Lusby, vice-president of America Fore, will discuss the New York compulsory automobile law.

M. F. Gruhn Joins Argonaut Group

M. F. Gruhn, who has until recently been vice-president of the Kemper companies, has joined Argonaut group of San Francisco as a member of the executive staff of Argonaut Underwriters.

Mr. Gruhn has been in insurance for 27 years, and for 20 years has been active on insurance committees of the coast, having been chairman of the governing committee of California Inspection Rating Bureau and California assigned risk plan.

Mich. WC Changes Signed

LANSING—Gov. Williams has signed the liberalized Michigan workmen's compensation act, but has criticized the changes as not being liberal enough. Benefits are increased from \$1 a week for unmarried workers totally disabled to \$15 for workers with dependents. The new limit for unmarried workers is \$33 and for married workers with as many as five dependents, \$57.

Gov. Williams said the change is an example of "new Republican techniques" of making labor legislation appear liberal while "it actually amounts to little in terms of benefits to people involved."

Insurance Women of Fort Worth (Tex.) have elected the following officers: Mrs. Marie Barker, president; Mrs. M. B. Douglas, 1st vice-president; Mrs. Hazel Beasley, 2nd vice-president; Mrs. A. C. Maddox Jr. and Mrs. C. K. Ashley, secretaries, and Mrs. O. W. Boggs, treasurer.

Harbell Named Head of Sanborn Map Co., Others Promoted

Charles P. Harbell has been elected president of Sanborn Map Co. to succeed the late Kenneth B. Buchanan, who was president and treasurer. The company has also elected Harold E. Oviatt senior vice-president and a director and has given the duties of treasurer to Secretary Richard B. Hollaman.

Mr. Harbell has been with the map company since 1930 when he started as publishing plant manager at Pelham, N. Y. He became vice-president in charge of plant operations in 1942 and went to the New York City office in 1954 as senior vice-president.

Mr. Oviatt began his career with the company in 1921 at the Pelham plant. He transferred to Chicago as assistant manager in 1926 and went to San Francisco as manager in 1932. He was promoted to vice-president in 1942.

Mr. Hollaman joined the company in 1946 and has successively worked at the Pelham plant, Chicago and New York City. He became secretary in 1954.

Tax Discussion at Cincinnati

J. A. Ward of Ohio Farmers will talk on taxation of insurance proceeds at the luncheon meeting of Cincinnati Underwriters Assn. May 10.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

roof of an adjacent building one floor below. The drugs were dropped to the roof where they were picked up by accomplices, it is reported.

Police officers uncovered the plot when a rope broke as three jars of sedatives, vitamins and other expensive pills were being lowered from the roof of the building. The three jars, valued at \$7,000 each, crashed on the pavement and scattered the pills.

N. Y. Law Bars Insurance Giveaway

Gov. Harriman of New York has signed the bill which prohibits any insurer from offering life or A&S insurance as an inducement to the purchase of any goods, securities, commodities, services, etc. The attorney general already has ruled that the insurance department had this prohibitory authority in connection with the offer of accident cover with the purchase of motor cars, but this puts it into the law.

Program Ready for Arkansas Convention

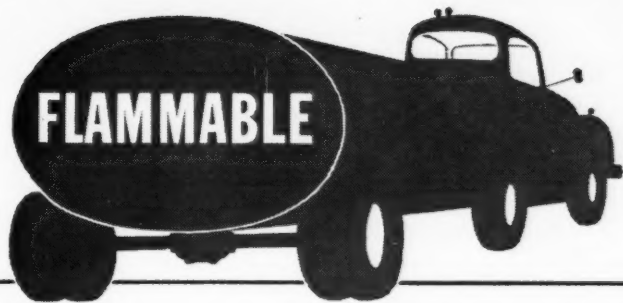
"Arkansas' New Approach To Industrial Development" will be the keynote for the two-day annual convention of Arkansas Assn. of Insurance Agents in Hot Springs next week. William P. Rock and W. R. Ewald Jr. of Arkansas industrial development commission, and Dr. W. Paul Brann of the University of Arkansas industrial research center will present activities of the commission as regards "selling" the state to industries of the north and east.

The initial convention session will feature a discussion entitled "Your Business . . . Whose Responsibility?" led by Miss Fanny Hardy, executive assistant insurance commissioner of Arkansas, and reports from association leaders and the election of officers. A. J. Johnson, El Dorado, is slated to be elevated to president. D. T. Hargraves Sr., Helena, and Eric Rogers Jr., Jonesboro, have been nominated for the number two post.

The general session will begin with the showing of the film "Album of Public Safety" by Norman Davis of Underwriters Laboratories. Arkansas Commissioner Combs will describe department activities during the year. Louie E. Woodbury, Wilmington, N. C., member of the executive committee of NAIA, will speak on "A Look At Our Sales Efforts."

Holds WC, Other Insurance Combinations Illegal

Commissioner McConnell has issued as of April 30 a bulletin respecting insurance with other classes of insurance for rating or premium determining retrospective agreements combining California workmen's compensation purposes, in which he says that any of these combinations "is unlawful." The bulletin also says: "All financial and rating examiners of this department have been instructed that a special investigation is to be made of the above described rating practices." The bulletin requests that admitted insurers acknowledge receipt, provides a form of receipt and a form stating the insurer will not hereafter enter into such agreements without approval of the forms to be used.



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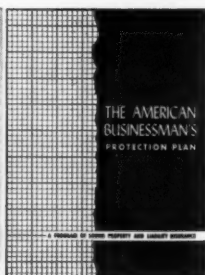


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